FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT
No. 28,138
Wednesday April 9 1980
***20p
CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 5.00; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 5.00; PORTUGAL Esc 35; SPAIN Pta 70; SWEDEN Kr 5.00; SWITZERLAND Fr 2.0; EIRE 20p; MALTA 20c

NEWS SUMMARY

GENERAL

Lord Kagan held in Paris

Textile millionaire Lord Kagan, wanted in Britain in connection with alleged exchange control offences and fraud, was arrested yesterday in Paris.

The Director of Public Prosecutions said extradition documents would be prepared.

Lord Kagan, 64, who founded the Gannex raincoat group, became a life peer in 1976 in Sir Harold Wilson's resignation honours list.

Divers hampered

Bad weather again prevented divers finding the cause of a pipeline oil leak which has led to the shutdown of the Thistle Field in the UK's sector of the North Sea. Back Page

Rig checks

All floating oil rigs in Norway's sector of the North Sea will undergo safety checks in the next two to three months, following the loss of the hotel rig Alexander Kielland. Page 3

Sadat in U.S.

President Carter and President Sadat of Egypt began two days of talks involving Palestinian autonomy on the West Bank and Gaza. Page 4

Life for killer

Mortuary attendant James Harkins, 29, described as a "sadistic psychopath," was jailed for life at Glasgow High Court after admitting killing his wife, young son and brother-in-law. The judge said the life sentence was "liable to mean that."

Ministers meet

Foreign Ministers of five South American countries meet in Lima, Peru, today to discuss policy towards thousands of Cuban refugees at the Peruvian Embassy in Havana. Page 4

Soldiers freed

Right-wing militiamen in Lebanon released six Irish soldiers they kidnapped on Monday after a gun battle in which an Irishman was wounded.

Kelly inquest

Police constable Robert Evans said he sprained his own wrist and broke James Kelley's ribs while trying to revive him with heart massage. Evans was giving evidence at the inquest into Kelly's death in police custody at Merseyside last June.

Bhuttos move

Pakistan's military Government lifted detention orders against the widow and daughter of executed former Prime Minister Zulfikar Ali Bhutto.

Leaping exports

Philippines President Marcos launched a frog breeding programme aimed at the gourmet markets of the U.S., Europe and Japan.

Briefly . . .

Turkey's Deputy Under Secretary for Trade, Bulent Ozturkmen, was shot and wounded in Ankara.

Colombian student wounded during the takeover of the Dominican Republic Embassy in Bogota on February 27 died in hospital.

Swiss-born Marco Broggi, 40, became the first person to cross the Alps in a powered hang-glider.

PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to unofficial action by proof-readers who are members of the National Graphical Association.

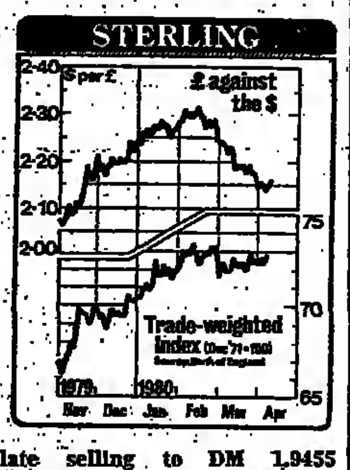
BUSINESS

Gold up $62; £ rises 2.80c

● GOLD rose $62 in London on fears of further Middle East tension to close at $539.5. Back and Page 25

● STERLING was firm, gaining 2.80 cents to close at $2.1670. Its trade-weighted index rose to 72.8 (72.3). DOLLAR fell in late selling to DM 1.9455 (DM 1.9650), but its index was unchanged at 91.8. Page 25

STERLING



● EQUITIES were unsettled by international tension and UK economic surveys, and the FT 30-Share Index lost 5.9 to close at 426.7. The Gold Mines Index advanced 25.5 to 312.9. Page 28

● GILTS responded to selective investment demand with gains of up to a ¼ in shorts and longs. The Government Securities Index rose 0.23 to 64.97. Page 28

● WALL STREET was up 0.52 at 768.86 before the close. Page 26

● BARCLAYS Bank is discussing the possible acquisition of nine retail bank branches in France from the Lloyds Bank group. Back Page

● JAPANESE Finance Ministry official is to visit Middle East oil producers later this month in a bid to attract funds to boost the yen. Page 4

● RHODESIA'S tobacco auctions opened in public in Salisbury for the first time since 1965. Back and Page 27

● GOVERNMENT would continue to support free flow of goods in and out of the UK, but would not rule out import controls on certain materials, Secretary for Trade John Nott said. Page 5

● PORSCHE of West Germany is to develop two new Lada models. The Soviet-built car is to be launched in the U.S. next year. Page 5

● ROAD HAULIERS have been urged by the Road Haulage Association to reduce their fleets to cope with rate cutting caused by low growth in demand. Page 6

● RECESSION in European truck markets during this year and next is predicted by Economic Models, the London consultancy group. Page 5

● POST OFFICE industrial action by computer staff was authorised by the Society of Civil and Public Servants. Page 8

● BENDIX Corporation of the U.S. completed the £7.65m purchase form Britain's Hawker Siddeley of the outstanding 50 per cent of Bendix-Westinghouse, the UK automotive brake and component maker. Back Page; News Analysis, Page 7

COMPANIES

● HIGHLAND Distilleries first-half pre-tax profits rose £1.11m to £3.03m on sales £8.7m ahead at £38.43m. Page 16 and Lex, Back Page

● ERITH & CO., builders' merchants, lifted 1979 taxable profits by £480,000 to a record £1.65m. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
Fndng. 5½pc 82-84	£78½	+	½
Treas. 11¾pc 03-07	£85½	+	½
Abercom	125	+	10
Albion	27	+	5
Erith	120	+	6
Hoover A	160	+	5
Mountleigh	58	+	4
Prvnel. Laundries	38	+	2½
Robinson (T.)	83	+	5
Siebe Gorman	175	+	7
Wyatt (Woodrow)	27	+	3
Anglo Amer. Crpn.	540	+	25
Buffels	£13¾	+	1¼
East Daggafontein	75	+	10
Impala	272	+	12
Marievale	210	+	24
Minorco	280	+	16
Poseidon	119	+	10
Pres. Brand	£16¾	+	2¼
Randfontein	£29½	+	2
Ventersport	571	+	47
West Driefontein	£31	+	3¼
Western Hldgs.	£28½	+	2¼
FALLS			
Treas. Vrble. 1982	£94¾	−	½
Atlantic Assets	150	−	7
Barclays Bank	392	−	8
Brown and Jackson	175	−	20
GEC	363	−	6
GUS A	378	−	8
Hawker Siddeley	178	−	6
ICI	366	−	6
Land Securities	287	−	5
Martin (R. P.)	35	−	5
Sirdar	84	−	8
Small and Tidmas	70	−	10
Yarrow	270	−	10
Shell Transport	332	−	10
Tricentrol	274	−	14
Ultramar	524	−	14
Guthrie	887	−	25

Prince to receive $87m a year

Hidden commissions charged on some Saudi oil deals

BY RICHARD JOHNS

Significant and increasing volumes of Saudi Arabian oil are being sold at premiums up to U.S. $4 or 5 per barrel more than the official price of $26, because of disguised "commissions," according to industry executives and consultants.

At least one important deal haa been concluded on this basis since the terms of the agreement betweeo Saudi Arabia aod AGIP, the subsidiary of the Italian state hydrocarbons group ENI, were revealed last November and the contract was suspended.

It involved the payment into a Panamanian bank accouot of $1.26 for each of 100,000 barrels a day that Petromin (the Saudi state oil corporation) was to bave supplied to AGIP.

Despite the scandal over the Italian deal, aod a pledge made in January by Crown Prince Fahd to stamp out corruption, Saudi Arabia haa since finalised at least one other deal for a similar amouot of oil where the hidden commission is uoderstood to amount to $4.17 per barrel. This gives an actual price of over $30, although Petromin will receive only the official selling rate of $26.

The major share—$2.40 a barrel amounting to $87.6m a year—of the "premium" is going to a leading second-geoeration prince. His Saudi business associates are receiving $1, and a European intermediary 77 cents.

Payments are being made into anstalten, or collectiog agencies, in Liechtenstein, where banking laws prevent the recipients being identified.

When the deal was being negotiated io December the official rate for Saudi oil was $18 a barrel and a total commission level of $8 was envisaged. The Saudi price then weot up to $26 and a number of other individuals who were to have received a share of the submerged premium were cout out of the deal.

Evidence that malpractices are continuing, notwithstanding the ENI affair, comes at a time when "direct" sales agrementa between Saudi Arabia and state or quasi-state purcbasers are rising fast.

Under existing contracts, the voluem is nearly 1.5m b/d compared witb the maximum permitted output of 9.5m b/d (excluding the kiogdom's share of output from the Neutral Zone, which is fully committed to tbe state's partners in tbe two ventures in the zone).

Sales by Petromin are expected to rise to 2m b/d by the eod of this year. So far, contracts involving 859,000 b/d bave been signed.

At the current production rate of 9.5m b/d, the upper limit allowed since the beginniog of 1979, the Government's fellow sbarebolders in the Arabian American Oil Company — Exxon, Socal, Texaco and Mobil — are liftiog 7.2m b/d, but bave been warned that their entitlements will be cut back in future as a proportion of the total output.

Ooe international oil company is understood to bave beo approached last December with an offer of not less than 300,000 barrels a day for one year, with an optioo of another two years' supply at a premium of $5 over the official price.

The Saudi iotermediary actiog on bebalf of one of the most senior and powerful members of the royal family, though not io office or in the line of succession, even offered a 50 cent per barrel sbare to the executive approached. The rest of the commission, it waa proposed, would be paid into a Lebaoeae bank.

The offer was refused by the company, but it was left in no doubt that the intermediary would be able to deliver on the deal.

Another offer reported to the Financial Times for 45,000 b/d, arranged througb a London-based trading company, fell through at tbe last moent just after the furore over the ENI deal.

Continued on Back Page

Edwardes near victory as strike call is defied

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

SIR MICHAEL EDWARDES, chairman of BL, was poised last night for another dramatic victory over the trade unions. More than 80,000 of the 86,000 manual workers in BL's cars division are expected to report for work today, defying a strike call in protest at the company's decision to impose a controversial pay package unilaterally.

Bnt BL management's delight was tempered by the knowledge that those workers still proposing actioo are producing models currently in sbort supply—the Land-Rover, Range-Rover, Jaguar cars and the Sherpa van.

And altbougb co-ordioated national nnion opposition has crumbled in the face of the tough management line, shop stewards are preparing for "a guerrilla camnaign" against changed working practices which the management insists

BL Cars' gamble, after five months' abortive negotiatioos with the trade unions, that it conld side-step organised opposition to the pay package was given a considerable lift yesterday. A meeting of more than 5,000 workers at the Cowley body plant, Oxford, voted by a majority of 6 to 4 against strike action, spurning both the advice of their own shop stewards and union negotiators.

BL insists that employees wbo attend for work are deemed to bave accepted the pay package and its linked productivity changes. Some 33,000 workers at 14 BL plants including Cowley reported for work yesterday.

Moves to mobilise union opposition across the company to the management proposals have brought little respoose.

The ceotral bargaining macbinery at BL, the Joint Negotiating Committee, sppears to have been discredited in the latest pay round. Instead shop stewards at the 36 BL Cars plaots are determined to go it alooe in looking after the interests of their mebers.

At Common Lane, Birmingham, aronnd 800 workers producing the Sherpa van bave already walked out. Te remaining 1,600 workers there meet today to decide whether to join the dispute.

Around 2,000 employees produclog the Land-Rover and Range-Rover models at Solibull, Birmingham, are also committed to strike action.

The Jaguar model, whicb is also in short supply, is threateoed by walkouts over a grading dispute at the two Coventry plants.

Having scored such an important victory in the face of official unioo opposition, the managemeot can be expected to tread carefully in imposing its cootroversial oew working practices.

The key battle will be fought at Loogbrideg, Birmiogham, where the Mini Metro is scheduled to be launched in October. Shop stewards there have cnoceded that there is oo support for a walkont at the moment.

Gibbs takeover terms agreed

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

THE HONGKONG and Shanghai Banking Corporation has agreed terms for the takeover of Antony Gibbs, the amall City merchant bank. The deal values it at about £17½m.

Shareholders can take either 85p per abare, or 90p in the Hong Kong bank's sbares. Preference shareholdera are offered 42p in cash for each share.

The directors and other family shareholders have already accepted the offer for shares equivalent to 32 per ceot of the capital. This gives Hongkong and Shanghai more than 70 per cent of the abares—it already bad 40 per cent.

The acquisition signals a move by Hongkong and Shanghai into more specialist banking activities in London. Its wholesale bank business there is planned to work closely with Antony Gibbs.

The acquisition raises questions about Antony Gibbs' continued membership of the Accepting Houses Committee, traditionally the elite club for London merchant banks.

It has been thought in the past that the UK authorities would not approve of committee membership by any merchant bank under foreign cootrol.

However, committee members indicate that the committee takes a pragmatic attitude to sucb matters.

A decision will have to be taken. Hongkong and Sbaingbai hopes Gibbs will be allowed to stay in the group, but if it is asked to leave, Hongkong and Sbanghai is not likely to be particularly concerned. It already bas the same privileges as accepting houses in rediscount facilities for its bills at the Bank of England.

Lex, Back Page

CONTENTS

For latest Share Index 'phone 01-246 8026

Khomeini sneers at Carter's sanctions

By Simon Henderson in Tehran and Jurek Martin in Washington

IRAN YESTERDAY reacted to the new measures against it announced by President Jimmy Carter of the U.S. on Monday night by accusing the U.S. of pursuing "imperialist designs" under theh cover of coocern for the diplomatic bostages.

At the eod of an extraordinary meetiog the ruling Revolutionary Council played down tbe significance of the hostages, and ioterpreted the aeverance of diplomatic relations and other moves by the U.S. as a general attack on the Iranian regime.

Sneering at the new measures, Ayatolah Khomeini, the Iraniao religious leader, welcomed the endiog of ties between Iran aod the U.S., saying that it is "tbe one thing that Carter has done in the ioterest of the opreased." He also caled for the overthrow of President Anwar Sadat of Egypt and President Saddam Hussein of Iraq.

Iraoians do not appear to be taking tbe trade embargo very seriously, judging by the reaction of officials. Given that U.S. exports to Iran bave dwindled to almost nothiog, its real effect will depend on the degree of support Mr. Carter is able to arouse in Western Europe and Japan.

But, in a warning to allies of the U.S. whicb might contemplate supporting action, Mr. Ali Akbar Moinfar, the Oil Minister, said that any country whicb imposed sanctions would be cut off from Iranian oil supplies. Iran claims that oil exports are running at 1.7m to 2m barels a day, at least half of wbich goes to Western Europe or Japan.

Worries about the effectiveness of the new U.S. sanctions were also expressed by Mr. Carter's domestic political opponents.

Doubting wbether trade sanctions would bave any impact, Mr. Ronald Reagan, the leading contender for the Republican party's Presidential nomination, said that the latest package was "just more of the same, and it was wrong from the first."

Seoator Edward Kennery, Mr. Carter's Democratic party challenger, said he would not "second guess" the President's initiative, but added that, for sanctions to be truly effective, they would require "ao extraordinary degree of co-operation" from U.S. allies. He implied, not

Continued on Back Page

Iraq dispnte and metal market reaction, Back Page; Other developments, Page 4; Editorial Comment, Page 14

U.S. telephone companies set for contest

BY STEWART FLEMING IN NEW YORK

THE FEDERAL Communications Commission has approved a sweping de-regulation of the U.S. telecommunications iodustry.

The decision opens the path towards unfettered competition between the major telepbooe companies, such as American Telepbooe and Telegraph, and data processing companies like Internatiooal Business Machines (IBM), providing computer-enhanced telecommunications aervices. These are services for traosmittiog information which has beeo procesed by computer tecboology.

The commisison has voted by five to wto aginst requiring corporatioos offering enhanced computerised telecommunications services to get prior approval before offering sucb serviees. It bas also voted not to regulate the tariffs they cbarge. Tbe de-regulation process will come into effect over the next two years unless it is successfully challeoged in the courts.

The commission itself is expecting legal challenges to its actions, which promises to accelerate far-reaching cbanges in tbe structure of the U.S. telecommunications and data processing or computer markets.

Assuming it survives aoy legal challenges, the new commission policy will free American Telepbooe and Telegraph from a 1956 anti-trust consent decree.

The decree effectively barred the company from offering unregulated telecommunications services. Thus, it bas kept it out of the growing mrket for transmitting information which is in some way changed by the application of computer tecbbnology.

Rapid evolution of electronic technology bas been steadily eroding the demarcation lines which appeared to exist between telecommunications and data processing. Major corporatioos sucb as IBM and Xerox have begun to develop their own competitive telecommnnications systems wbicb will, for example, allow computers to communicate with each other, or the transmissioo facsimile's over telecommunications systems.

These companies can now expect that the services they are planning to offer will not be brought within the telecommunications business from American Telepbones, a compaoy with assets of more than $100bn, quarterly oet profits of over $1bn, and a formidable reputation for original scientific research.

The commission has io effect decided that it can oo longer effectively distinguisb between telecommunications and data processing. Therefore, it is ceasiog to regulate these overlapping markets.

It is intendiog, bowever, to contioue regulating the basic telephone service for both businesa aod iodividual customers, but with some cbanges. Thus, American Telephone and its amaller competitors io the telephone industry will be required, by 1982, to sell telephones to customers rather than lease them. With about 170m telephooes in the country worth arouod $10bn io the telephone companies rate base, this is a major shift in the competition structure.

The commission's decision reflects tbe further evolution of an existing pro-competitive trend in the agency which is frequeotly dated back to the commission's Carterpbooe Communications Company decision in 1968, wbicb encouraged competitioo with American Telephones in tbe provision of Telepbone Instruments.

The commissioo's de-regulation move is being carefully structured in ao effort to prevent American Telepbones and other large telepbone companies from using the financial strength from their telepbone business to subsidise the data processing services tbey are expected to offer. These must be made available througb separate subsidiaries. The U.S. Coogress has been grappling unsuccessfully since 1976 witb legislation which would in part achieve the same objective of deregulation as the commission.

American Telepbones bas cautiously welcomed the commission's decision. Mr. James E. Olson, vice chairman, said the company "looks forward to competing in a de-regulated termioal market and in data communications products and services."

However the company has some reservations about tbe decision, in particular the brief transition period proposed.

£ in New York

—	Apr. 7	Previous
spot	$2.1330-1350	$2.1325-1370
1 month	0.41-0.46prem	0.35-0.40prem
3 months	0.75-0.80prem	0.67-0.72prem
12 months	0.80-0.90prem	0.6 -0.75prem

OECD report on Spain warns of rising inflation and a worsening payments balance. **Robert Graham** reports

Spectre of unemployment grows as recession deepens

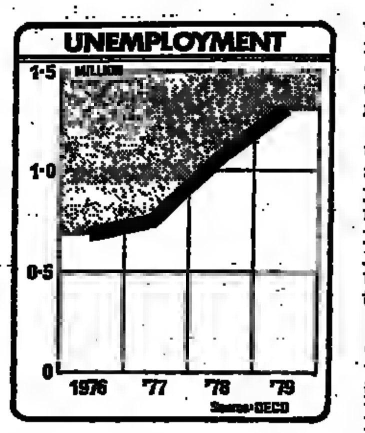
ANY CONVERSATION about the Spanish economy is these days dominated by two themes: the rising number of unemployed and the return of inflationary trends. Both these elements are highlighted by the latest OECD report on Spain published today. Neither is particular to Spain, but Spain has to face up to them differently because, unlike the rest of Europe, it has witnessed an ever-deepening recession since 1976 and has fer weaker economic structures.

As unemployment has been a comparatively recent phenomenoo, relatively little thought and even less administrative machinery has beeo devoted to it in the past. This has changed over the pest two years, when 500,000 people have lost their jobs, according to official statistics. By the end of 1979 total unemployment was 1.33m, equivalent to 10.2 per cent of the active population. Even now, though, at least 40 per cent of all uoemployed people do not receive any benefit.

The worrying aspect of this is that the upward trend in unemployment hes shown no sign of sleckening. In the last quarter of 1979 the number of jobless rose 100,000. The reasons for this are not difficult to detect.

Domestic demand, except for foodstuffs and certain services, remains weak and investment continues to stagnate except for a few isolated sectors like mining and energy. To survive high wage costs and heavy financial overheads, companies heve sought to economise by shedding labour. Workers, especially in the Basque country, the industrial heartland of Spain, are heing made jobless with increasing freqnency through bankruptcies and temporary recelverships. Last year, over a third of all the new unemployment registered occurred in the Basque country, and much of that round Bilban.

These were more often than not johs in traditional engineering and steel-making concerns, whose owners either cannot afford new investment or who will only consider new investment nutside the Basque country. Where the latter occurs, it tends to be capital intensive.



The greatest incidence of unemployment continues to be among first job-seekers. Last year this rose by 12,000 and now represents 40 per cent of total johless. Tbe difficulty in finding johs among the young applies to all educational levels, not just those without qualifications.

The Government has produced no formel growth projections for the current year. Having twice changed its forecasts last year which even then proved over-optimistic, it prefers not to make itself a hnstage to political criticism. But several institutions have offered their own estimates, and these vary from an optimistic 1.5 per cent to zero growth.

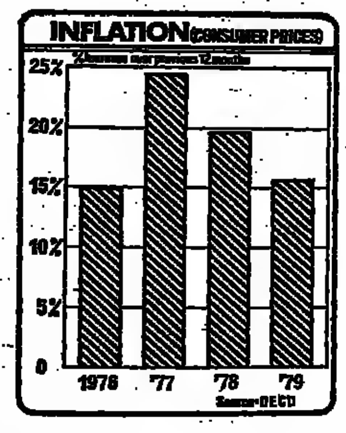
Banco de Bilhao, which is closely involved with a wide cross-section of industry and commerce, has predicted 0.8 per cent in gross domestic product against 1.5 per cent last year. The hank reckons the sole stimulus will come from agricultural setcor, and to a lesser extent the tertiary sector. Private consumption and fixed capital investment will be static. A decisive factor will be e lower level of stockbuildng by companies who will only do the minimum necessary.

WIth its ear less close to the ground, the OECD report comes to a similar conclusion but also offers a faint hope that private investment might pick up.

Accepting the prospect of stagnant growth, Spain will have witnessed an average annual growth in GDP over the past five years of little over 2 per cent. In the past two years the Government had heen hoping for rates of douhle this. So long as this low growth continues there is little hope of alleviating the employment picture. Indeed, unemployment will probahly reach 1.5m this year, and it is reckoned thet the economy has to grow at about 4 per cent for employment to stabilise and perhaps drop marginally.

A study of the Spanish economy in the 1980s puhlished last week hy Banco Urquijo makes a stark forecast. It says an optimum situation over the next decade would he for Spain to raise prodnctivity by 4 per cent a year and cut unemployment by 100,000 each year. But to do this, GDP must grow in real terms at above 6.5 per cent e year.

At one level the Government has little alternative but to seek to "institutionalise" unemployment. If new jobs cannot easily be created, provision has to be made to p rotect those who are unemployed. As this is costly and could be counter-productive, the Government is watching with interest the phenomenon of workers coming off unemployment benefit after the 18-month maximum limit. The Government insists, with some justification, that the Spanish s ystem of holding down more than one joh and the institutinn of the extended family provide hidden social safety valves.



The authorities are also hoping like the OECD that s ooner or later the private sector will turn again to i nvestment. Yet investors are wary because medium-term finance remains difficult. Confidence i n expansion is also conditioned hy the many who are still paying the price for over-investing in 1973-74. The main stimulus therefore will probably have to come from the public sector, and here the Government has in mind a greater empbasis on housing.

TThe temptation to increase puhlic spending and raise the large public sector deficit of Pta 394hn (£2.5bn) et the year-end, may prove hard to resist. Last year public spending was held in check, largely because of e four-month delay in approving the budget.

Thus there will be an overlap this year and the eutborities, whn heve yet to announce money supply targets for 1980, mey heve a more difficult time edministering the continued tight control of credit to the private sector.

With a 78 per cent dependence upon energy imports, Spain's economic performance will be conditioned, as last year, by the price of crude oil. Taking into account special oil deals and a greatly reduced need to rely on the spot market, optimistic forecasts talk of an average cost per harrel of $30 for Spain's 51m-ton needs.

Such a price could permit GDP growth of 1.5 per cent, ascording to the Spanish Bankers' Association. Taking a cost per barrel of $32.5, growth would he 0.8 per cent. This in turn foreshadows a deterioration in the halance of payments—an increase in the deficit of over $3bn on the 1979 figure of $1.5bn.

The OECD report underscores this deterioration. It also warns of the renewed problem of inflation. Last year energy prices adde at least two points to inflation, raising the annnal rate to 16 per cent. Largely reflecting energy related price rises, the consumer price index jumped 2.8 per cent in January and 0.9 per centin February.

The utilities are known to be pressing for further price rises in July, while wage increases, though failing to keep pace with inflation, are averaging 13-14 per cent. This is probably buying industrial peace at the expense of economic realism, but it is the first year Spain has operated without Government-dictated guidelines.

Some economists are concerned that the Government is distorting inflation by holding down agricultural prices and letting industrial prices rise sharuly. Last year this tactic certainly helped the overall inflation rate.

On current estimates inflation this year will be around 16-17 per cent. But in recent weeks a note of caution has crept in as the peseta has moved down sharply against the dollar—9 per cent down in a month. If the peseta depreciates further, this will have a negative impact on inflation—something not foreseen three months ago.

EEC oil use tops target by 25m tons

BRUSSELS — Oil consumption in the nine European Economic Community countries rose to 525m metric tons last year, 25m tons more than a target ceiling set by their leaders. The figures, released yesterday by Herr Guido Brunner, the Energy Commissioner, show that while oil consumption decreased by 1.4 per cent in the U.S. and rose 1.5 per cent worldwide, it increased by 2.7 per cent in the EEC.

In addition, the Community's dependence on imported oil rose slightly to 475m tons, despite a 49 per cent increase production from the Dunlin, Heather, Ninian and Thistle oil fields in the North Sea. Herr Brunner blamed severe winter weather in the early months of 1979 for the increase and predicted that consumption in 1980 would fall to 517m tons.

North Sea oil production in 1980 and conservation are expected to decrease imported oil to 460m tons, 15m tons less than 1979. Even so, the bill for imported oil will rise from $75bn to $100bn.

European heads of government set the 500m ton target ceiling last March

A Commission paper yesterday said production of crude within the EEC should grow by 3.7 per cent this year to 92.3m tons.

Agencies

How Ireland keeps ahead of Ulster in winning new jobs

BY STEWART DALBY IN DUBLIN

LAST WEEK'S decision by the British Government not to change Northern Ireland's industrial development strategy—against advice from the Northern Ireland Economic Council and the trade union movement—has inevitably invited comparisons with its counterpart's policy and performance south of the border.

Many businessmen regard Ireland's Industrial Development Authority (IDA) as the best agency around in the jobs creation business. One industrialist who has dealt with both the IDA and the Northern Ireland Development Agency (NIDA) says it is "like the difference between made-to-measure tailoring and something off the peg

In the case of the De Lorean motor company project in Northern Ireland, the British Government will eventually have hed to spend £26,500 to create each of 2,000 jobs. On average in Northern Ireland the cost per job is around £12,500 if loans and equity involvement are wrapped up with building grants.

In Duhlin, on the other hand, the IDA maintains that the sverage cost per joh is between IR£4,000 and IR£5,000 (£3,570-£4,470), without taking into account tax advantages compared to Northern Ireland. This figure encompasses every kind of industry, inclnding cottage industries. The IDA has occasionally gone well over IR£5,000 — in ettracting the Mostek company last year the cost was IR£19,000 per joh. Bnt it rejected De Lorean because it was considered too high a risk and too expensive.

Northern Ireland thus spends more per joh than the IDA. In the process it also hands over to incoming companies more in the way of grants and loans, giving building grants of up to 50 per cent, for example. The IDA offers grants of up to 40 per cent for building costs, but only in the underdeveloped west of the country. In the east, grants are nearer 30 per cent.

For all this, Northern Ireland appears to have done less well. In 1979, 5,000 new jobs were created through nine new investments. Th Department of Trade and Commerce estimates that to prevent unemployment increasing, 7,000 new jobs must be created in the province each year. This year the rate has been stepped up a bit, and there are approvals for 3,000 new jobs in the first three months.

In Ireland, however, the IDA approved 12,000 new jobs in 1978 and 15,000 jobs were created in 1979. Each year approvals are given for some 70 to 80 projects on average. Even allowing for the fact that the workforce is twice as large in the Republic, the rate would seem to be better.

The more potent attraction in the Republic is the concessionary tax structure. All companies which have set up in Ireland are exempt from tax on exports. Since there are 330m people in the EEC and only 3.5m in Ireland, it is obvious where goods are being sold. Many foreign companies pay no tax at all.

Under the prompting of the European Commission, which feels that such concessions are against the spirit of the Common Market, Ireland has agreed to introduce from 1981 a 10 per cent corporation tax for all foreign companies. Any concerns setting np in Ireland hefore then, however, will have the old exemption until 1990.

Another reason for the IDA's hetter track record compared to the NIDA is to he found in the structure of the assistance agencies themselves. The IDA is a Stete body with an annual Government hudget of IR£75m. But it does everything from organising grants and loans to finding fectories and sometimes taking equity stakes.

In Northern Irelad, however, there are several hodies. The Commerce Department which is based at Stormont organises grants, while the NIDA is responsible for loans and equity involvements.

Kreisky visits Yugoslavia

VIENNA — Chancellor Bruno Kreisky, Kreisky, of Austria, left yesterday for a three-day official visit to Yugoslavia. It is the first such visit by an Austrian Chancellor in 15 years and will be the first by a government head since President Josip Broz Tito went into hospital.

Economic issues and the problem of the Slovenian minority living in Austria's Carinthia province are expected to head the agenda for bilateral matters. International topics for discussion are likely to range from the Helsinki follow-up conference on European security and co-operation in Madrid, to the situation after the Soviet invasion of Afghanistan.

In Belgrade, meanwhile, President Tito's doctors said yesterday that his pneumonia had worsened, after eppearing to ease in recent days. A medical bulletin said the 87-year-old Yugoslav leeder was still running a high body temperature.

Agencies

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

Norway orders safety check on N. Sea oil rigs

BY FAY GJESTER IN OSLO

ALL floating oil rigs in Norway's sector of the North Sea, including both hotel and drilling units, are to bse subjected to a special safety inspection over the next two to three months.

The move, a direct consequence of last month's disaster in which the Alexander Kielland Hotel rig capsised, was announced yesterday by Det norske Veritas, the Norwegian ship and rig classification society.

Veritas said It hsd already asked rig owners to say when their units could be made avail able for the check-np. All those contacted had been "positive," although some will find it difficult to fit the inspection in to their working schedules. Some 25 units are involved, and priority will be given to rigs whose design resembles that of the Alexander Kielland.

It was also confirmed yesterday that a semi-submersible drilling rig, working in Norway's part of the North Sea, has been shipping water through a 4cm-long crack since mid-arch.

The rig, the West Venture, is owned by the Peter Smedvig Shipping Company and is drilling a secood well on Shell's promising new gas field on Block 31/2.

The crack on West Venture was discovered in one of the rig'a braces on arch 16 and duly reported to Veritas. Veritas agreed that it would be safe to complete the well before taking the rig to port for repair.

Ray Dafter, Energy Editor, adds: During the past two years or so minor cracks or fractures have been found in a number of semi-submersible rigs operating in UK waters.

Tha most worrying faults were found in March 1978 when inspectors discovered extensive cracking io the Transworld 58 rig, used as a floating production platform on Hamilton Brothers' Argyll field. The field had to be shut down while the rig was taken off location for permanent repairs to be carried out.

Extra safety checks are also being carried out on the Drillmaster, another drilling rig which has been converted into an oil prodnction vessel. This is of similar design to the Alexander Kielland and is shortly to begin operation on British Petroleum's Buchan field.

The UK Energy Department has pointed out that small or minor fractures have been found and repaired in eight other rigs. These are the Norjarl (November 1979) the Nortroll (January 1980); Ocean Voyager (April 1978); Aladdin (May 1978); Pacesetter I (September 1978); Stadrill (April 1979); Pentagone 84 (September 1978); and Sinbad Saxoo (May 1978). In all cases repairs were or are being carried out.

Citibank seeking branch in Turkey

By Metin Munir in Ankara

CITIBANK, one of Turkey's principal creditors, has formally applied to open a branch in Turkey. Citibank is the first foreign bank to make such an application since Mr Suleyman Demirel's free enterprise Government announced io January that Turkey would start allowing foreign bank branch operation as part of a new drive to attract foreign investments.

The Foreign Inevtsement Promotion Department attached to the Prime Ministry said that Citibank's application was found "favourable." The application would be submitted to the Cabinet for consideration after the Ministries of Commerce and Finance commented on it.

In its application Citibank reqnested authorisation to deal in Turkish lira as well as foreign currency, accepting lira deposits locally and foreign currency from abroad. It also asked to benefit from rights granted to foreign capital investment so that it would be able to remit its profits.

The bank did not indicate how much capital it planned to bring to Turkey. Citibank's decision to take the lead in entering the Turkish market has been interpreted by Turkish officials as manifestation of the bank's confidence in the medium-term recovery of the country, which is in the grip of a severe economic crisis.

Danes move to curb rising payments deficit

BY HILARY BARNES IN COPENHAGEN

A PLAN to channel DKr 5bn (£384.3m) a year, equivalent to the total oew investmeot in manufacturing industry last year, to the corporate sector from insurance companies aod pension funds was one of the central points in a major ecooomic policy programme announced by Prime Minister Anker Joergeoseo yesterday. The object of the policy is to curb the country's rising current balance of payments deficit.

Increased taxes on petrol, oil and electricity and cuts of DKr 8bn in projected public spending for t981 were the other main points in the programme, wbicb will mean a drop in real private consumption by 3.7 per cent this year and 1.2 per cent io 1981 with gross domestic product falling by 0.8 per cent this year and rising by 1 per cent in 1981.

Mr. Joergensen told a Press cooference that unless the present trends are altered, the balance of paymeots situation will become "very dangerous." The current balance of payments deficit would rise from DKr 15.6bn in 1979 to DKr 25bn in 1983-84 without Government intervention, he said.

Finance Ministry projections indicate that the proposals will not preveot the current account deficit from rising to DKr 16.3bn in 180, but it shoold come down to Kr 12.4bn in 198t and gradnally fall to about DKr 7bn by 1984.

First however, the mioority Social Democratic Government has to carry the measures through the Folketing (Parliament). All the other parties are sceptical of the programme in varying degrees and political observers do oot exclude the possibility of a breakdown in the Parliamentary negotiations and a midsummer election.

In additioo to the plan to channel pension fund mooey as risk capital to the busioess sector, (details of the scheme are yet to be worked out), the Government proposes modifications of the tax on gains realised by the sale of shares, aod improvements in depreciation allowances. Price and profit margin controls are also to be eased and the amount of foreign exchange loans made with the Government guarantee against excbange rate losses will be increased.

In spite of an expected 5 per cent fall in real wages in 1980, the Government plans to increase taxes by a net DKr 5bo, including DKr 0.10 (about 4½ per cent) oo a litre of petrol and similar increases for beating and fuel oil, and an increase of about 12 per cent in electricity charges.

In spite of DKr 8bo cuts in projected public apending for 1981, whicb will reduce the growth of real public spending from 4 per cent this year to 1 to 2 per cent in coming years, the Ceotral Governmeot'a oet borrowing requirement (excluding rolling over of loans wbich fall due for redemption) will rise from about DKr 18 bo this year to DKr 22bn in 1981 (about 5 per cent of GDP) and the gross borrowing requirement will rise from DKr 35bn to DKr 48bn.

Mr. Joergensen: deficit could become "very dangerous."

Cossiga coalition faces regional poll test on June 8

BY RUPERT CORNWELL IN ROME

THE NEW Italian Government of Sig. Francesco Cossiga will go before Parliament for its formal vote of confidence at the beginning of next week. But impending regional elections, whose date bas beeo fixed for June 8, have already emerged as the first real test of his administratioo.

About 43m Italians will be eligible to vote for t5 regional assemblies, and provincial and municipal authorities throughout the country. The outcome will amount to little less than a refereodum on the latest ruliog formula of Christian Democrats, Socialists and Repnhlicans.

A solid performance by those parties would almost certainly reinforce the life expectancy of Sig. Cossiga's second government and take some of the force from the dissideot "left-wing" minorities within both Christian Democrat and Socialist ranks.

The reverse(however, would only encourage the latter in their efforts to secure an accommodation with the Communist party, going heyood aoything on offer from the rigbt-wing faction in both parties which are currently in the asceodant.

Therefore, it is more importaant tban nsual for the new Government to show force and purpose especially in dealing with the economic problems to which much of the Prime Minister's policy programme in Parliament is likely to be dedicated.

If not, there is an evident risk that diseochantment will set in among voters—that, despite appearances, nothing has been cbanged hy the return of the Socialists to government for the first time in six years. This, in turn, is likely to show up in the regional poll outcome.

In tbis case, the more open line towards the Communists by the Christiao Democrat and Socialist minorities would probably be accentuated by tbe latest foreign policy shifts on the part of the Communist party.

Since Afghanistan, foreign policy arguments above all bave been employed hy opponents of the party's demands for governmeot representatioo. Now, bowever, a whole host of initiatives has underlioed the growing chasm between the party and Moscow.

Having stroogly and coosistently attacked the Soviet incursioo into Afgbanistan, Sig. Enrico Berlinguer, the party leader, bas earned further attacks from Moscow for the trip he is to begin on Sunday to China.

Along with its Spanish and Yugoslav counterparts, the Italian Commnoist party has refused to take part in a conference on detente in Paris summoned, at Moscow's instigation, by the French and Polish Communist parties.

In the meantime, the Italiao party is pressing ahead with its efforts to promote a so-called Euro-left. Sig Berlinguer bas beld meetings with Herr Willy Brandt of the West Germany Social Democrats, and M Fraocois Mitterraod, leader of the Freocb Socialists.

Apel backs Australasian claims to EEC markets

BY JONATHAN CARR IN BONN

NEW ZEALAND and Australia have won strong support from Herr Hans Apel, the West German Defence Minister, for greater access for their farm produce exports to the European Community market.

In an interview on his return from a visit to these countries Herr Apel stressed that the ability of both to play an effective military role in their region depended not least on their earnings from exports to Europe.

Both countries have long complained that the operation of the European Commoo Agriculture Policy (CAP) greatly hinders their sales, not onl tyn the EEC but also to third markets when European farm surpluses are sold off at subsidised rates.

Herr Apel said he planned to bring up New Zealand's particular export problems with his Cabinet colleagues and also with Ministers in France (which benefits in particular from the CAP) and Britain.

As for Australia, Herr Apel noted that Europe would oeed its raw materials and eoergy resources in the next decade. It was therefore wise to support the existing political friendship with a policy of economic reason.

Quite apart from these points, it is clear that West Germany stands to gain from military sales to both countries. The Leopard tank has already been delivered to Australia and it is understood that both the Canberra and Wellington Governments are interested in purchasing German frigates of the F-122 class.

Herr Apel: stressing the military role

Reuter adds from Auckland: Dr. Christopher Van der Klaanw, the Dutch Foreign Minister, said yesterday that the growing disenchantment over subsidies paid to European farmers could help New Zealand exports to the Common Market.

Dr. Van der Klaauw, on a six-day visit, said there was a growing feeling among Europeans that something had to be done about the high prices their farmers were getting for their produce.

The farmers were over-producing because they got so much in subsidies. If they cut back, it could belp countries like New Zealand to get a fair proportioo of the European market, he added.

New Zealaod agricultural exports woold certainly not be excluded from the EEC when its agreement was renegotiated at the eod of this year, he said. The Netherlands felt New Zealand must have fair access.

Strikes planned in Sweden

BY VICTOR KAYFETZ IN STOCKHOLM

SWEDEN'S blue-collar union federation, the Landsorganisationen (LO), yesterday rejected an appeal by government-appointed mediators to end its 12-day-long overtime ban.

It also announced plans for limited strikes affecting retail trade, fuel and energy supply, and air and sea traffic if private employers go ahead with a one-week lockout of 750,000 of LO's 2m members on Thursday.

Earlier in the day the main private-sector employers' organisation (SAF) said that if the LO ended its overtime ban, it would lift its lockout threat.

Negotiaions oo wages reached a stalemate last month after the SAF declared that beyond automatic rises, there was no room for any pay increases during the rest of 1980. The LO then presented pay claims averaging 11.4 per cent.

Soviet Union starts up 600MW fast reactor

BY DAVID SATTER IN MOSCOW

THE Soviet Union announced that the 600 MW Beloyarsk prototype fast breeder reactor, the largest of its type in the world, went into operation yesterday at a site about 25 miles from Sverdlovsk, the industrial capital of the Urals.

Moscow is basing its long-range planning for nuclear power on the fast breeder reactor because it converts "waste" uranium into plutonium, another nuclear fuel. In this way it can obtain 50-60 times as much energy from uranium ore as present-day reactor.

The Beloyarsk reactor is the third component in a complex which also includes two pressure tube reactors with generating capacities of 100MW and 200MW. It is cooled by a pool of molten sodium metal of a design similar to French and British prototype fast reactors. It differs from a smaller 120MW fast reactor at Shevahenko on the Caspian Sea which is of a loop-type design and was commissioned in 1973. This has generally operated well, although like the British prototype it has suffered from pinhole leaks in critical welds.

Soviet plannars envisage widespread use of fast reactors in the 1980s, and design studies are currently being undertaken for a 1600MW commercial-size fast reactor.

The Beloyarsk recator was expected to go into oparation some time in 1979, and there were reports of a fire at the site during contsruction. Tss made no mention, however, of any problems in commissioning the reactor.

Few illusions that sanctions will bite

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

U.S. Administration officials are under no illusion that the sanctions invoked by President Carter on Monday will have either a quick or deep impact on Iran.

Two of Mr. Carter's four measures—the complete severance of diplomatic relations and restrictions on Iranians entering the U.S.—were perhaps somewhat tougher than had been expected. But they were the least the President could do, given mounting public pressure on him to be less passive in the face of Iranian provocation.

The third part of the package, the imposition of a complete trade embargo, is largely symbolic. U.S.-Iranian commerce had in any case dwindled to next to nothing in recent months. U.S. sales to Iran in February, of little more than a couple of million dollars, are only 1 per cent of the normal volume of trade during the period up to the Shah's departure.

The final element, the compilation of an inventory of Iranian assets frozen in the U.S. last November (believed to amount to about $8bn), and of a list of possible American claims against Iran, including those that may be made by families of the diplomatic hostages, broaches an extremely sensitive legislative and legal area that may take a long time to resolve.

Treasury Department officials admitted on Monday night that they had barely begun work on some of the issues both of principle and practice that would have to be embodied in any legislation proposed to Congress.

In effect, all that has been predetermined is that the liabilities of the Iranian Government (not its private citizens and not the U.S. holdings of the deposed Shah) may be requisitioned.

Historical precedent demonstrates that it may take years for claims on foreigners to be finally settled. Chinese liabilities, for example, were only met last year, 30 years after China's assets had been frozen by the U.S., while none of the outstanding Cuban debts have been paid.

The U.S. courts remain open to any who wish to challenge the validity of the President's decision. The President has already found out in the crisis with Iran that the U.S. courts, the third arm of the U.S. constitution, have the independence to pass separate judgment on what he proposes.

Officials here concede that on both the diplomatic and commercial side, a key element remains the extent to which U.S. allies are willing to co-operate with the American sanctions.

In his brief statement on Monday, Mr. Carter made no special appeal for such co-ordinated international action, confining himself to a vague promise to "consult" with the allies both on his present measures and on any others he may still take.

Later, officials hinted that other countries might be asked to cut their imports of Iranian oil and even to cut their own diplomatic ties with Iran, as well as to restrain commerce.

If Mr. Carter ultimately has recourse to a naval blockade of Iran—a clear option if the impasse continues—then it is assumed here that the allies will go along.

The Administration, which has been much criticised for failing to develop with the allies concerted responses to both Iran and the Soviet invasion of Afghanistan, intends to try to convince its friends that it had tried every reasonable means to secure a peaceful negotiated solution, but that this phase has come to an end.

The ultimate sanction, of course, lies in the use of military force. A senior White House official said on Monday night: "I don't accept the conclusion that the use of force is necessarily the next step." He was, of course, reflecting the President's own aversion to this extreme step.

But it is conceivable that the pressure on Mr. Carter will increase in the months ahead.

U.S. guided by instinct for plunder says Tass

By David Satter in Moscow

THE U.S. decision to break off diplomatic relations with Iran was not the result of concern for the American hostages, but was guided by "undisguised imperialist interests," Tass, the Soviet news agency, said yesterday.

In its first reaction to the U.S. moves, the news agency said that the Iranians do not refuse to release the U.S. hostages, and have in fact expressed readiness to solve the crisis," as soon as the U.S. hows a constructive approach to Iran's legitimate wishes."

The U.S., however, was intent on carrying out a "policy of plunder" and Tass accused President Jimmy Carter of a "gross forgery," in referring to a UN Security Council resolution on the hostages issue—dated January 13—which was vetoed by the Soviet Union.

Russia has sought to maintain good relations with Iran throughout the crisis over the U.S. Embassy hostages despite Iranian criticism of the invasion of Afghanistan, and the recent breakdown of price negotiations over shipments to the Soviet Union of Iranian gas.

Tass accused the U.S. of resorting to "military-political blackmail" against Iran by concentrating naval forces in the Indian Ocean and the Gulf. The U.S. was failing to show "patience and restraint," it added.

No attempt had been made to remedy the "true causes" of the strained relations between the U.S. and Iran. On the contrary, the U.S. was moving to legalise the confiscation of Iranian property and to create a legal basis for U.S. citizens to make any claims against the Iranian Government, and to have them satisfied.

New Zealand to reopen Tehran Embassy

By Dai Hayward in Wellington

NEW ZEALAND is reopening its Embassy in Tehran, Mr. Robert Muldoon, the country's Prime Minister, announced yesterday.

The New Zealand embassy was closed some weeks ago when it became known that New Zealand assisted the Canadian Government in organising the escape of six American diplomats hiding in Tehran.

Mr. Muldoon said the embassy would now resume its normal functions. Mr. Christopher Beeby, the Ambassador and other senior members of the Embassy, who left Iran hurriedly when the Embassy was closed, are returning.

Reuter adds from Melbourne: The Australian Government will review diplomatic and economic ties with Iran, Mr. Andrew Peacock, Foreign Affairs Minister, announced yesterday.

Japan forced to move cautiously on Bandar Khomeini

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE AMERICAN diplomatic break with Iran has obliged Japan to move cautiously in restarting the $3bn petrochemical project at Bandar Khomeini in southern Iran. The project, already 85 per cent complete but in limbo for over a year, is by far the largest Japanese venture in the Middle East.

It is important for both the Mitsui group and its Iranian joint venture partners (the state-owned Iranian National Petroleum Company) that work at Bandar Khomeini be resumed and completed before the end of 1981. But resumption at any time in the next few weeks could be seen as a slap in the face for the U.S.,

The project at Bandar Khomeini (known as Bandar Shahpur until a year ago) was first conceived in 1968. The plant will use natural gas to produce 300,000 tons of ethylene per year

The project was originally ex-

pected to cost $500m at pre-1973 values but is now budgeted at $3bn. This figure includes $750m worth of excess interest payments and other charges incurred during a construction delay caused by the Iranian Revolution early last year.

Mitsui officials expect work to start again during the summer with the first part of the project, a natural gas separation plant, due for completion as early as September, but before this can happen, claims and counter-claims must be settled between the Japanese companies and the Iranian authorities; Japan must convince Iran of its "sincerity" in wishing to resume work at the site as quickly as possible.

Until Iran is satisfied with Japanese "sincerity," it is refusing to negotiate on the claims of Japanese construction companies. These involve alleged cost overruns and demands for guarantees against compensation claims by dismissed workers. The Iranians have informally said they will be satisfied that Japan really intends to re-start work when 300 Japanese workers are on site at Bandar Khomeini, compared with the 70 there today and the peak Japanese workforce of 5,000 before the Mitsui group suspended operations.

Mitsui hopes to have the required number of men at Bandar Khomeini by the end of May. But they may have to stretch this schedule to avoid offending American sensitivities. The U.S. has never called on Japan to abandon the Bandar Khomeini project but it did request full participation by Japan in the economic sanctions against Iran when these were being considered in early January. Japan's view that Bandar Khomeini should be excluded from any sanctions is known to the U.S. But the Americans have not said whether they agree to the exclusion.

The success of Bandar Khomeini could be crucial to Mitsui and Co., the Mitsui group's trading arm which owns 45 per cent of Iran Chemical Development Company, the Japanese partner in the joint venture, and even to Japanese oil supplies.

Mitsui and Co. originally held a Y10.8bn (£19.6m) capital stake in this company, but increased it to Y16bn as part of an emergency refinancing package last year. It has also guaranteed about Y80bn worth of loans (out of a total of Y160bn worth of private Japanese loans and a grand total, including Japanese government loans, of Y250bn).

A total loss of the Mitsui stake is not on the cards, since Mitsui is fully insured. Under a Japanese Government overseas investment insurance scheme, Mitsui could collect on 90 per cent of its exposure. The remaining Y10bn or so would be equivalent to about 60 per cent of Mitsui and Co.'s operating profits in a normal year.

Apart from that insurance it has provided, the Japanese Government has also been involved since last autumn, through an official soft loans agency called the Overseas Economic Co-operation Fund. Under last year's emergency refinancing, which increased the available money from Y550bn to Y730bn, the co-operation fund agreed to put up 40 per cent of a Y50bn increase in the Japanese capital stake in Iran Japan Petrochemical Company, the Bandak Khomeini operating Company. The first instalment of this increase was paid last week and amounted to Y7bn, with Y2.8bn of the total coming from the co-operation fund.

The Japanese Government agreed to become directly involved with Bandar Khomeini last autumn after convincing itself, first, that extraordinary measures were needed to refloat it after the disruptions of the Iranian revolution and, second, that Japan had an interest in staying on good terms with Iran, which supplies 13 per cent of Japan's oil imports. Both these points are as valid now as they were six months ago, but a third factor has entered the picture. Bandar Khomeini could test Japan's ability to pursue its own interest in the Middle East without alienating the U.S.

OVERSEAS NEWS

Tokyo plans mission to Mideast

BY RICHARD C. HANSON IN TOKYO

A SENIOR official from the Japanese Finance Ministry will visit several Middle East oil-producing countries later this month, the Ministry confirmed yesterday.

Speculation is also growing that Japan will resort to a special yen bond issue to be placed with main oil producers, such as Saudi Arabia, as part of its effort to bolster the sagging yen.

Finance Ministry officials would only say that Mr. Takehiro Sagami, Vice-Minister of Finance, International Affairs, will not carry with him any "concrete" proposals for attracting oil money into Japan.

It is believed Mr. Sagami will stop by the oil countries on his way back from a preparatory meeting in Italy on April 16-18 for the upcoming Venice Summit.

The need to attract funds into yen has become more urgent since the yen began dropping sharply against the dollar. It also appears that the long-term capital inflows which have helped narrow the country's overall balance of payments deficit since January, are beginning to slacken off because of the attraction of higher interest rates in the U.S.

The inflows of capital have been primarily into the short-term bond repurchase market, known as Gensaki, amounting to over $1.6bn in January-March.

Some members of the financial community in Tokyo feel that the Government will be forced to follow the lead of West Germany in inducing a large amount of funds from the Arab oil producers. Since last November, Saudi Arabia

Mr. Takehiro Sagami

has bought about Y50bn in Japanese Government bonds. These are on a short-term repurchase agreement basis.

The Press is reporting that the Government is planing on selling about Y50bn in Government bonds to the oil producers each month, perhaps on a one-year repurchase agreement basis. The Government would sell the bonds from the stocks held by the Bank of Japan.

The amounts involved in such a scheme would probably be insufficient to have a sharp impact on either the foreign exchange market or the balance of payments. There are also limited supplies of the shorter remaining maturity Government bonds which carry yields high enough to attract Arab investors.

Because of this private bankers are recommending that the Government create a special "ohira" yen bond

Sharp rise in Hong Kong money supply

HONG KONG'S broadly-defined (M3) money supply rose 2.6 per cent in February, while M2 rose 2 per cent, and M1 by 1 per cent. At the same time, banks loans and advances increased by 4.6 per cent, Philip Bowring reports.

Though the rates of increase mostly fell below those in January, they contradict persistent Government claims that the situation is under control and that various exceptional factors are to blame for sharp rises in money and credit. Bank loans are now more than 40 per cent up on a year ago.

Guerrillas return

Almost 2,500 of Joshua Nkomo's ZIPRA guerrillas have returned to Rhodesia from their bases in Zambia over the past week, diplomats said yesterday, Reuter reports from Salisbury.

The guerrillas returned to their homeland over the Victoria Falls Bridge and were believed to have been armed. They are being housed at a former refugee camp on the Gwaai River in Western Rhodesia.

Sakhalin project go-ahead likely

BY OUR TOKYO CORRESPONDENT

THE U.S. is not expected to raise objections to resumption of work on a Japanese-Soviet oil and natural gas development project in the continental shelf off Sakhalin, an island in the Soviet Far East.

Work stopped last autumn for the winter, before the invasion of Afghanistan by Russian troops prompted the U.S. to call for sanctions against the Soviet Union.

U.S. and Japanese officials said the American Government was in the final stages of deciding whether the Sakhalin project should come under such sanctions. The U.S. is leaning towards allowing Japan to go ahead, but such approval will probably not take the form of any formal pronouncements.

U.S. approval is critical because much of the exploration rig equipment is of U.S. manu-

facture and requires servicing by American contractors. Japan has been co-operating with the Soviet Union on the project since 1974. Work could resume later this spring if Washington agrees.

Some progress may also be made on resolving the deadlock over exports of large diameter steel pipe for natural gas development in Siberia from the big Japanese steel companies.

Negotiations have been held up since the Soviet action in Afghanistan because the medium-term credits for the exports normally would be extended by the Export and Import Bank of Japan.

The Japanese government is watching carefully for the West German reaction to private application for Government export insurance on large pipe sales to the Soviet Union.

If West Germany approves the insurance, the Japanese Government would be inclined to drop drop its ban on official backing for the exports from Japanese companies. The private steel companies are still hoping to attempting to arrange private financing, to which no objection is being made.

Shell, Gulf sign Kuwait contracts

BY PATRICK COCKBURN

KUWAIT has signed new oil supply contracts with Royal Shell and Gulf Oil, two of its largest customers. A new contract was signed with British Petroleum at the end of last month.

Both Shell and Gulf will get substantially less oil than under the old contracts. Shell will purchase a basic 75,000 barrels a day for two-and-a-half years at the official Kuwaiti price and supplementary supplies of 100,000 b/d at a premium of $5.50 a barrel extra.

Gulf will similarly receive 75,000 b/d for two-and-a-half years, but will not receive any supplementary supplies at a premium price. A Gulf Oil official in London said the question of supplementary purchases was not discussed with the Kuwaitis.

All three oil companies have seen their contracts volumes drastically cut. BP will in future get 150,000 b/d compared to 450,000 b/d previously. Shell's previous contract was for 360,000 b/d and Gulf's for 500,000 b/d.

From April 1, Kuwait cut its total oil production by 25 per cent from 2m barrels a day. Oil Ministry officials confirm that gas output is to be cut by a similar amount.

The officials also said that the deadline for talks with the French oil companies, Compagnie Française des Petroles and Elf, is the end of June. The companies are negotiating for 85,000 b/d.

OPEC will consider crude price in June

BY KIM FUAD IN CARACAS

THE ORGANISATION of Petroleum Exporting Countries will not discuss crude oil prices until June, when it holds its ordinary midyear conference in Algiers, according to Humberto Calderón Berti, the OPEC President.

Dr. Calderon said yesterday that prices are not on the agenda of the extraordinary meeting of OPEC oil ministers to be held next month in Taif, Saudi Arabia.

The Venezuelan Energy Minister noted that crude oil prices had not been as strongly affected by soft market demand as residual fuel oil in recent weeks. Venezuela, which normally ships about 600,000 barrels-per-day of residual oil to U.S. east coast markets, has been forced to make two successive price cuts to face declining demand.

Officials report that the price cuts have improved residual sales, which had fallen to about half their normal level. Refining runs, however, remain about 30 per cent under 1979 levels of 1m b/d.

AMERICAN NEWS

Cuban refugee policy sought

By William Chislett, recently in Havana

FOREIGN MINISTERS of the five Andean Pact countries—Venezuela, Colombia, Ecuador, Peru and Bolivia—meet in Lima today to discuss a possible joint policy towards the thousands of Cuban refugees who have moved into the Peruvian embassy in Havana. Peru is unwilling to allow all of them into Peru.

In Miami, where the majority of the population is of Cuban descent, there have been demonstrations in support of an estimated 10,000 men, women and children who have crowded into the 20-acre embassy grounds.

On Monday the Cuban police again sealed off the area round the mission to additional refugees and started to provide food and hygiene facilities. President Fidel Castro visited the embassy yesterday and repeated assurances that those Cubans who wanted to leave the country will be given exit permits.

The Cuban decision to allow so many people into the Peruvian embassy is seen as a gesture of irritation at the action of several Latin American embassies, notably the Venezuelan, in giving asylum to those wanting to leave Cuba, and disregard in particular for the Government of Gen. Francisco Morales Bermudez, the Peruvian President.

Cubano-Peruvian relations, which a decade ago were close when Gen. Juan Velasco was President and an active figure in the non-aligned movement, have cooled as Gen. Morales has moved Peru towards more conservative domestic and foreign policies. Peru is not seen as a potential oil exporter to Cuba, which Venezuela might be.

The Cuban President doubtless saw the Peruvian embassy, too, as an outlet for those who are most resolutely opposed to his government.

Tremendous advances have been made in the social field in the 20 years since President Castro took power, with free schooling and medicine. But Cubans still have to cope with shortages in other areas. There is food and clothing rationing and very few consumer goods to buy.

The invasion of the Peruvian embassy underscores the feelings of resentment among part of the population. In Cuban terms, they are quite well off, but they are frustrated by the regimented quality of life.

These feelings have been heightened by the Government recently opening the doors to tourists and also allowing Cuban exiles who left in the 1960s to return to visit their families.

Tourists are very hospitably received in Cuba for the country badly needs as much foreign exchange as it can get. Russia supplies it with oil at about half the world price and pays Cuba well over the international price for its sugar exports, but still Cuba as a balance of payments problems.

Sadat begins Middle East talks in Washington

BY JUREK MARTIN, U.S. EDITOR IN WASHINGTON

PRESIDENT ANWAR SADAT of Egypt and President Jimmy Carter yesterday began two days of negotiations which are important both for the progress towards Palestinian autonomy on the West Bank and in Gaza and for Mr. Carter's domestic political standing.

Mr. Sadat's visit precedes by a week that of Mr. Menahem Begin, the Israeli Prime Minister, and is likely to prove much the easier of the two sessions. It is possible that all three heads of state may confer together before the May 26 target date by which it had been hoped agreement on the form of Palestinian rule would be reached.

Egyptian officials accompanying Mr. Sadat are emphasising that he does not view the May 26 date as absolutely sacrosanct, but that he must be given assurances of Israeli flexibility sufficient to enable the negotiations to continue beyond that date.

One such assurance could be freeze on new settlements in an Israeli commitment to a freeze on new settlements in the occupied territories during the five-year transition period to full Palestinian autonomy. Mr. Sadat hopes that President Carter will be able to persuade Mr. Begin of the virtues of this idea.

But there also appears to be a recognition in the Egyptian camp of the political constraints currently on the U.S. President. Mr. Carter would undoubtedly like to embellish in the eyes of the American electorate, his greatest foreign police achievement to date—the Egyptian-Israeli peace treaty—by ensuring further progress in the bilateral negotiations.

But the domestic political consequences of being rebuffed next week by Mr. Begin could be severe. Thus, it is felt Mr. Sadat will not ask Mr. Carter for what the U.S. President cannot deliver at this stage.

For his part, Mr. Carter has every reason to be extremely grateful to President Sadat. In the last few days, American newspapers and television reports have been deluged with eulogistic commentaries on the Egyptian leader.

But, as the New York primary last month demonstrated, no U.S. politician can tilt policy against Israel with impunity. Senator Edward Kennedy, staking his all on the Pennsylvania primary two weeks from now, has lined himself up behind the traditional Democratic position of standing foursquare with Israel on questions concerning its security.

Raid 'shows security need'

BY ROGER MATTHEWS IN TEL AVIV

ISRAEL'S Prime Minister, Mr. Menahem Begin, said yesterday he hoped people would better understand his country's security needs as a result of Monday's Palestinian guerrilla attack on a kibbutz near the border with Lebanon.

Israeli armed forces and security chiefs have begun a detailed investigation into the incident in which the five Palestinians and three Israelis were killed.

About 13 Israelis are still in hospital recovering from their injuries.

Evil men were bent on the destruction of Israel, and the "barbaric crime" should serve as a warning about future security requirements, Mr. Begin said.

The attack on the kibbutz of Misgav Am came just a week before Mr. Begin is due in Washington for talks with President Carter on the deadlocked negotiations over autonomy for the Palestinians.

One of the main issues holding up progress is the interpretation of Israeli security requirements. Dr. Mustapha Khalil, the Egyptian Prime Minister, has claimed that Israel has persistently used the security issue as a reason for rejecting Egyptian proposals during the past ten months of negotiations.

Brazil metalworkers' strike enters crucial week

BY RIK TURNER IN SAO PAULO

THE EASTER holiday in Brazil has allowed a breathing space in the Sao Paulo metalworkers' strike, the most important industrial dispute in the country so far this year, which has paralysed the car industry since April 1.

Unions and employers took advantage of the break to review the situation prior to what will probably be the decisive week of the strike. The threat of the Government repeating its intervention in the three unions during last year's strike, involving the occupation of their headquarters, and removal of their leaders, has been hanging over the workers and remains a possibility if the dispute is protracted.

On April 2 a regional labour tribunal awarded a sliding-scale rise for the metalworkers of up to 7 per cent but judged itself not competent to decide on the legality of the strike. This decision surprised the Government and employers, who in past years have been able to count on the tribunal to pave the way for intervention by ruling the strike illegal.

Sr. Luis Imacio Da Silva, leader of the largest union, is keen to play down any political significance to the strike. Both he and the Government know that there is more at stake than wage increases.

Firstly, the unions are demanding major changes in labour relations such as the recognition of shop stewards, who are banned by companies. They also want union officials to have free access to factories, also presently denied.

If these demands were met (which seems highly unlikely) they would considerably strengthen Brazil's infant union movement, still labouring under the antiquated legislation of successive Right-wing governments.

Secondly, Sr. Da Silva and the group of so-called "authentic" union leaders who have identified themselves with him over the past few years, are becoming political figures through the newly-formed Workers Party (PT).

The PT faces innumerable difficulties in its path to successful electoral action, including a clause in the Government's 1979 party reform law which forbids the formation of class-based political organisations.

The Government is aware, however, that other parties have little attraction for workers, particularly in cities such as Sao Paulo which has 10 per cent of the country's 120m population.

Both sides spent the first week of the strike playing down its significance. But they are weighing up its long-term repercussions, as was evident at the mass meeting on April 2. During the meeting the speakers, including Sr. Da Silva, were repeatedly interrupted by low-flying army helicopters which were said to be on regular "training flights."

The employers have closed ranks by accepting the labour tribunal's sliding-scale award and refusing to negotiate on other questions such as shop stewards and guaranteed employment. The absence of the latter has been a key factor in defeating the unions in past strikes.

Political observers say that removal of Sr. Da Silva from his union post may be a blow to the PT. But the need to negotiate with a leader who has the trust of the country's most politicised workers will remain. As Gen. Joao Baptista Figueiredo, the President, asked at an army intelligence meeting following last year's intervention: "If we have the lad out, who do we put in his place."

Nott emphasises UK support for free trade in note to TUC

BY FRANK GRAY

BRITAIN would not rule out import controls on certain moterials but the Government remains emphatic in its support of the free flow of goods into and out of the UK, Mr. John Nott, the Secretary of State for Trade, said yesterday.

In a letter to Mr. Len Murray, the general secretary of the Trades Union Congress (TUC), reiterated the Government position that widespread controls would create "distortions and bottlenecks" in the economy, which would reduce efficiency.

In addition, he said, controls would:

● Deprive British manufacturers of supplies of imported equipment and materials on which success in the home market might depend;

● Divert British exports back into the home market to satisfy domestic demands;

● Raise prices, thereby fuelling inflation and restricting consumer choice.

His letter, in response to a TUC economic committee statement in mid-March expressing concern over Britain's 1979 trade deficit, said that Britain was "not ruling out import controls in limited and particularly difficult areas."

He pointed to the various restraints Britain bad imposed which affected textiles, electronics and cars, and the import restrictions on U.S. polyester filament and nylon carpet yarn.

Mr. Nott added:: I certainly believe strongly in vigorous action through the Community against dnmped or subsidised imports."

But a general policy of import controls was 'very mnch the wrong road" for a nation as dependent as Birtain is on the growth of world trade.

"We can hardly encourage that growth by inhibiting it ourselves."

The heart of the problem remained Britain's lack of competitive capability, particularly in vehicle production.

Britain's share of world trade had been constant at about 9 per cent in the last six years, and if the motor vehicle industry were excluded, the export-import ratio last year deteriorated by only 1 per cent from the previous year.

In addition, the Government had pledged a further £300m of investment funds in 1980-81 to BL, 40 per cent of whose sales went overseas.

"But the major concern is to improve productivity and performance in this industry," Mr. Nott said. "For example, Ford's substantial imports into the UK could be reduced if the company could produce more in its UK plants."

BP loses NZ fuel plant bid

By Dai Hayward in Wellington

BP HAS lost out in a bid to build a multi-million dollar methanol plant in New Zealand folowing New Zealand Government approval of a rival scheme put forward by the state owned Petro-Corporation in conjunction with Alberta Gas of Canada.

The Alberta Gas-Petro project will cost at least NZ$130m (£56.7m). It will start production in 1983 producing 400,000 tonnes per year.

The BP scheme would have provided for productioo of 2,000 tonnes of methanol o day, compared with the 1,200 tonnes daily from Alberta Gas-Petro.

A factor in the Government decision was the belief that the quantity produced by BP would be more than the market could absorb and that there was less risk with the Alberta Gas-Petro project.

Alberta Gas will bold 49 per cent of the new project, and Petro Corporation will have an as-yet undecided share holding with a considerable share holding going to other New Zealand participants.

This is the second major energy decision made by the Government recently. In March it gave the go-ahead for a NZ$500m synthetic petrol plant, which, like the methanol plant, will be based on the use of natural gas from the Moui field

Porsche plans new Lada models

BY LESLIE COLITT IN BERLIN

THE PORSCHE motor company is to develop two oew models of tbe Soviet-built Lada car, which has been produced since 1971 under a licence from Fiat.

Porsche yesterday confirmed Soviet reports that an agreement was signed with Avtoimport to develop the new front-wheel drive Lada models, which will start rolliog off assembly lines ot Togliattigrad in 1983.

The company said development work would be carried out at tbe company's researcb centre in Weissach, wbich is used by a number of international car companies.

A Porsche represeotative expressed surprise that the Soviet side had breached tbe discretion normally surrounding such agreements, and said this was probably a result of "political motives." Since the U.S. announced its trade embargo against Moscow, the Soviets bave been unusually eager to publicise their contracts signed with Western companies.

Although Lado last year sold more than 100,000 of its low-priced cars in Western Europe, the original model is decidedly dated. After Soviet automobile technicians bove met with Porscbe representatives to discuss technical problems, several Lada cars are to be sent to Porsche for testing and development work.

Porscbe is olso said to be developing air-cooled diesel engines, to be built at the Gorki outomobile works, as well as a Wankel engine of between 90 and 160 horsepower for cars, and a car body plaot to produce the Lada.

Construction of the Volga Automobile Works at Togliattigrad was started by Fiat in 1966. Production began in 1971. Fiat is said to hove been negotioting with the Soviets on expanding curreot production capacity of some 750,000 units. Five production lines for tbe welding of bodies, as well os equipment for a parts depot, bave been provided by the Kuka compony, io West Germany, to speed up production.

Renault bas been the only otber Western car maoufacturer to co-operate with the Soviets in car production, signing agreements wortb aome FFr 350m (£36m) to modernise and enlarge the Moskvich factory at Izevsk.

Soviet-built cars to be launched in U.S

BY JOHN GRIFFITHS

SOVIET-BUILT Lada cars ore to be launched in the U.S. next year with the intention of gaining sales of 50,000 o year by 1986.

Satra Corporation, the New York-based company whicb controls imports of the cbeap Lada cars into the UK and West Germany, has confirmed that it will build an import and preparotion centre at Savannah, Georgia, to handle the cars. Work on the $1½m centre, expected to employ eventually 350 people, is expected to start later this year.

Sotra bas held the concessionary rights to the U.S. market from the Soviet agency Avtoexport for five years. But, although it announced plans for a U.S. distributioo operation as far back as 1976, the cars have bod to undergo lengthy safety and emisaions programmes in the U.S., for which Satra built its own laboratory in New Jersey.

A first-year sales target of 5,000 has been set. Ooly the larger engined 1.6 litre cars, based on former Fiat models, are expected to go to the U.S., together with the four-wheel-drive Niva cross-country vebicle. The Niva, an entirely Soviet design, has already met with considerable success in Europe, and in West Germany is a best-seller, accounting for nearly balf of the four-wbeel-drive market. In the UK, Lada accounts for 1.3 per cent of the overall car market.

Lada bas been working with Borg Warner in development of an automatic transmission for its cara which is likely to be installed at the Lada factory itself, ot Togliottigrad. But other major modifications for tbe U.S. market, such as air conditioning and Federal specification bumpers, will be undertakeo ot Savannah.

A revised version of the Lada saloon is due to be launched next year, with an entirely Soviet-developed front wheel drive, 1 litre "hatchback" car also due to make an appearance in 1982 in Europe.

The Togliattigrad plont turns out about 700,000 cars a year, 300,000 of whicb are exported—about 125,000 to the West. Of these, Canada has been taking up to 10,000 a year—oot, however through Satra—and Canadian sales next year are expected to more than double.

Ladas have intermittently been the subject of dumping allegotions, most recently by Sir Michael Edwardes, chairman of BL. The U.S. Government has already given its approval to the cars' import, bowever, and Satra said yesterday that, given its proposed job creation at Savannah and the sourcing of components in the U.S. it did not anticipate difficulties.

Mexico to sell oil to Canada

By William Chislett in Mexico City

MEXICO has agreed to sell to Canada 50,000 barrels a day of oil and to gradnally raise the exports to a maximum of 100,000 b/d.

The contract for the oil will be signed during the visit of Sr. Jose Lopez Portillo, the Mexican President, to Canada in May.

The starting date is not known but it is believed that Canada will be receiving about 100,000 b/d by next summer.

Canada has been courting Mexico for its oil for more than a year, but Pemex, the State oil monopoly, said it was unable to promise any crude within its 1.1m b/d platform, as it was all committed.

Mexico raised its oil prodnction platform by 10 per cent last month, so releasing more oil for export.

● Alcobol-powered cars went on sale to the Brazilian public for the first time last week, amid protest from the makers at the Government's refusal to authorise prices 10 per cent higher than petro-drive vehicles.

Tbe models on sale are Volkswagen's Passat, Ford's Galaxie and Corcel, General Motors' Chevette and Fiat's 146.

U.S. lending legislation hampers China credit

HONG KONG—Extension of U.S. credit facilities to China remains hampered by legal requirements on lending limits, despite the virtually complete removal of other bilateral obstructions, Mr. Tim Williams, China analyst at the Bank of America, has said.

In an article in the American Chamber of Commerce magazine, he noted that U.S. Banks' lendings to a single customer are limited to no more than 10 per cent of its surplus funds.

Thus, he said, the limit for the Bank of America, for example, would be only abont $350m (£164m).

"In most cases, this would not present a problem, as very few customers require obligations of this magnitude," Mr. Williams said.

"Because of the nature of the Chinese economy, however, all loans to Chinese entities must be considered as being to a single borrower. With the size of China's borrowing requirements, the lending limits could clearly be reached quite quickly."

Mr. Williams noted one way around the problem was for loans to be syndicated.

The second would be to identify alternative borrowers in China.

But Mr. Williams added: "There is, as yet, no method of demonstrating that a particular Chinese province, ministry or corporatian has the independent financial means to repay loans extended to it.

"Thus, until such ability can be demonstrated, all loans to China by any one U.S. bank would be aggregated and considered as obligations of the central Government.

Even withent legal lending limits, it could be argued that U.S. banks would still regard their China loans as being to one customer, because of the lack of financial information on individual entities, he said.

Because of this, most banks had adopted a policy of requiring a Bank of China guarantee for any loans to China.

Such a guarantee satisfies the requirements of the U.S. banks, bnt insofar as the guarantee creates an obligation for the Bank of China, this method clearly has the same effect as the legal lending limits in restricting loans to China to a single customer," he said.

Reuter

Recession in European truck trade predicted

By Kenneth Gooding, Motor Industry Correspondent

A SHARP recession in the truck markets of Europe is inevitable this year and will continne in 1981. Then growth is expected to resume again, reaching a cyclical peak in 1983-84, according to forecasts by Economic Models, the London-based consultancy group.

In their third report on the European truck market—taking in six of the major markets: Belgium, France, Germany, Italy, The Netherlands and the UK—the consultants predict that the totol commercial vehicle market will fall by 11 per cent to 916,545 units in 1980.

This follows good growth in 1979 when the European market, represented by the six countries, rose by more than 10 per cent to 1m for the first time. Only France and The Netherlands failed to achieve double figure growth rates.

This year's fall will be most serious in the light- and medium-van sectors which are expected to foll by more than 13 per cent—light vans from 325,000 to 282,000 and medium vans from 452,000 to 392,000.

The fall shonld be less serious in the two truek sectors, which should pick up in both France and Italy after some years of being badly depressed.

Registrations of light rigid trucks in the six markets are forecast to fall from 163,000 to 157,000 while those of heavy trucks from 91,000 to 86,000 between 1979 and this year.

The European market is predicted to peak again in 1984 at just over 1m, but by 1985 each sector of the truck market will bove firmly started to decline.

Heavy trucks will be the fastest-growing market rising from 91,000 in 1979 to a peak of 102,000 in 1984, the consultants suggest.

The consultants believe France and Italy offer the best scope for future commercial vehicle growth.

After declining in 1980, Belgium, Germany and the UK are each forecast to remain fairly flat during the period with little or no growth and even at their peak remaining well below their 1979 best.

"Euro Trucks Forecast Report," Economic Models, 30, Old Queen Street, St. James's Park, London SW1H 9HP.

Road hauliers urged to cut their fleets

BY LYNTON McLAIN

SEVERE RATE-CUTTING and higher diesel prices have forced the Road Haulage Association to call on its 15,000 company members to reduce their vehicle fleets to match demand.

Hauliers are cutting rates because demand for road haulage services is not growing this year.

They were urged by the association yesterday to "sell or de-licence" part of their lorry fleets.

Members of the RHA have up to 200,000 vehicles. The association would like this cut by about a tenth. Britain has an estimated total of more than 1.6m goods vehicles, according to the Transport Department.

Mr. John Silbermann, chairman of the association, said that selling vehicles would "benefit the industry as a whole." Earlier he said that "harsh, ruthless competition for an inadequate amount of work" had caused a severe drop in haulage rates.

Steel strike

The low growth in demand reflects the slump in industrial activity. This was reduced further in the 13-week steel strike when lorry operators were forced to lay up more than 10,000 vehicles which normally account for almost 75 per cent of iron and steel movements in Britain.

At the end of the strike, the underlying demand failed to recover sufficiently to give all hauliers work.

The association believes that the current round of rate-cutting will have an adverse effect on the haulage industry at a time when operating costs are rising rapidly.

Its strategy, now being unfolded by Mr. Silbermann, is that all operators should make some small sacrifices, by cutting their fleets, so that the worst effects of the slump in demand are mitigated.

Nevertheless, some bankruptcies are expected, particularly among the smaller operators with only two or three lorries.

Hauliers' operating costs rose 22.5 per cent last year, mainly through higher fuel and wage costs. At the end of the year, 6 per cent of this had not been recovered through higher haulage rates.

This was largely because operators were unable to pass on immediately higher local authority rates, interest charges and the higher costs of capital equipment. Increased resistance from customers to higher rates at a time of low demand for haulage services also contributed to the shortfall in recovered costs.

Costs have continued to rise this year, regardless of the low level of demand. The steel strike, which forced thousands of lorries normally used for steel transport to attack other markets, coincided with a 15 per cent rise in diesel fuel costs.

This included the rise in duty imposed in the Budget, and led to a 3 per cent rise in hauliers' daily operating costs.

Not all members of the association have passed these increases on to customers as a fuel surcharge, Mr. Silbermann told members in London.

CHAMPION motorcyclist Barry Sheene took to the Thames track yesterday to try out what is described as the first motorbike on water. Called a Wetbike, it is powered by a 50 hp 723 cc Sprint outboard engine and aquaplanes on the surface of the water.

A special flotation system makes its unsinkable. In the event of a fall, the cord connecting the rider to a cutoff safety switch breaks away.

Top speed is more than 30 mph. The front ski suspension acts as a shock absorber. The tank can take six gallons. The Wetbike costs £1,995, plus VAT.

Illegal drinking 'major problem'

BY GARETH GRIFFITHS

UNDER-AGE drinking has become a major problem, with at least one in seven youths aged between 15 and 17 consuming alcoholic drink in public houses regularly, according to a survey by the Mintel marketing report.

The report is based on a survey of 1,000 men. In the 15 to 19 age group, 38 per cent said they visited a public house every week, and in the 20 to 24 group 62 per cent went weekly.

Landlords, who can lose both their licences and their jobs if convicted of serving alcoholic drinks to customers aged under 18, are calling for identity cards to be held by young drinkers. One suggestion is a modification of the National Insurance card.

Mr John Overton, the National Union of Licensed Victuallers' chief executive, says the main line of defence against under-age drinking is the experience of landlords in spotting culprits.

The main source of supply for under age drinking is still the public house. Supermarkets account for a very small proportion, says Mintel.

The Brewers' Society and the brewing industry generally is sceptical of Mintel's figures, saying under-age drinking is not a major problem. For three years the industry has been committed to a major educational project on drinking among teenagers. Material has been distributed among 8,000 schools and many pubs.

North seeks EEC presence

THE SITING of a major EEC institution in the North of England is being urged by the Campaign for the North, the all-party pressure group seeking greater devolution to Britain's regions.

The group claims in a letter to the North's 21 European Parliament members that the region has been largely forgotten in the dispersal of Community institutions, which have now spread from Brussels, Luxembourg, and Strasbourg to such centres as Munich (Patent Office) and Florence (University Institute).

These institutions provide career openings, bring in money, prestige and talented people, and in various other ways help to disperse power, claims the campaign's director, Mr. Paul Temperton.

The campaign is also urging that all EEC policies—and contributions to the budget—should be costed on a regional basis.

It points out that while Britain's net contribution to the Community is large, the burden is likely to be proportionately greater in areas such as the North which stand to gain less from the Common Agricultural Policy than farming regions such as East Anglia.

If the European Commission is not prepared to make the necessary calculations the European Parliament should use its own research facilities to establish a reasonable estimate, it says.

"We confidently expect that the North Country, one of Europe's poorest regions, is paying out most per head," says the letter to MEPs.

Textile researchers widen their scope

BRITAIN'S textile research associations are having to increase their efforts to find new sources of business and to reorganise their own activities as contraction in the textile industry quickens.

The Manchester-based Shirley Institute, which has expanded its work overseas and with other industries, is dropping its now largely unused official title, the Cotton, Silk and Man-made Fibres Research Association.

In Leeds, WIRA, formerly the Wool Industry Research Association, has added clothing and carpets to its speciality areas of expertise, and is planning a move to a new and smaller site in the city with the aim of releasing funds from the sale of its existing premises.

The two organisations' financial results for 1979 show a continuing growth in dependence on contract income from special projects undertaken specifically for companies or for the Government. In Shirley's case, this amounted to £735,000, a 35 per cent increase on the previous year.

The members' contributions (£174,000) were up only a little, and income from technical services (£380,000) was marginally down. The Government-backed Garment and Allied Industries Requirements Board (GARB), provided a further £206,000, and total income reached £1.67m.

Expenditure, helped by inflation, rose even faster, however, leaving a deficit on revenue account of £11,534 and on capital account of £12,511.

Dr Philip Smith, the chairman, says in his report that the Institute could play an increasingly important role in helping large sections of British industry to improve its record of innovation—a key area of weakness.

Other areas where Shirley has specialised in recent years include energy conservation and usage and re-usage of raw materials. The Institute has recently appointed a new director, one of whose main tasks will be to step up the marketing of the services it can offer.

WIRA's report reveals a surplus, after depreciation, of £34,512 compared with £103,454 in 1978. Income was up from £1.3m to £1.56m with fee-paid services now contributing 38 per cent. Income from the statutory levy on companies in the wool industry now represents only 28 per cent in income, with most of the remainder coming from GARB.

Mr. Roy Stroud, WIRA's chairman, says future emphasis will have to be placed on making the association's work fully commercial.

As part of this strategy, three new divisions—textiles, clothing, and development—have been formed, each of which will operate as individual profit centres. WIRA's move to buildings previously occupied by Alexandre, the tailors (part of the UDS group), is expected to start in June and to be completed within seven months.

Mr. Stroud warns in his report that UK textiles will have to become more flexible and aggressive to survive. "Basically, we have not taken advantage of the market consisting of 250m people which opened up to us when we ratified our membership of the EEC in 1975," he says. "On the other hand, our partners in the Community have taken full advantage of our membership."

● Britain's wool textile exports rose by 22 per cent in January compared with the same period last year to reach a total of £35.9m. Wool cloth accounted for £13.3m, 17 per cent more than in January 1979 and 7 per cent more in volume.

The industry's most important market last year for sales by value was Japan, which purchased goods worth £50.6m. Other big markets contributing to the industry's total export sales of £409m were West Germany (£43.5m), Italy (£39.7m), Ireland (£34.1m), France (£27.8m), U.S. (£25.6m), Canada (£17.3m), Belgium (£16.3m), Hong Kong (£11.4m), and Denmark (£10.4m).

EEC countries accounted for roughly 45 per cent of overseas sales.

THE Solara, Talbot UK's new contender in the medium-sized saloon car market, is to go on sale from May 13.

Production has been under way for some weeks at Talbot's Ryton, Coventry, plant alongside the existing Alpine model, on which the Solara is based.

The Solara will be available initially in four versions with engines of 1.3 or 1.6 litres. Three further, more luxurious versions, will follow during the summer.

Prices are expected to range from about £4,000 to slightly over £6,000.

Arthur Smith on a depressed industry

'Export to Europe' drop forgers urged

THE DROP FORGING industry, in which around half of the 23,000 workers are on short time, is being urged to expand sales to car assemblers within the Common Market.

Car imports from the EEC, not Japan, present the real problem for Britain, said Mr. Ted Leybourn, president of the National Association of Drop Forgers and Stampers.

He stressed the importance to forgers of a strong BL and domestic motor industry, which traditionally takes half of output for use in cars and commercial vehicles.

"We must increase our sales to car producers in the EEC who are supplying our markets with finished goods," he said.

The industry has already made progress overseas, increasing exports by 27 per cent last year to take total output to more than 450,00 0tonnes—an increase of 8.3 per cent on the previous year.

The UK accounts for almost a quarter of the annual EEC output of more than 2m tonnes of drop forgings, but faces more depressed conditions than its main European competitors—West Germany (750,000 tonnes), France (450,000 tonnes) and Italy (350,000).

The low level of UK activity—plant is being utilised at only around 55 to 60 per cent capacity—owes much to the poor performance of the domestic motor industry.

Over the past 20 years the output of the UK vehicle industry has dropped 4 per cent, while production has climbed 78 per cent in West Germany and nearly 130 per cent in France.

The best domestic growth areas in recent years have been the aerospace industry—up 15 per cent in 1979—and oil and gas pipelines and installations. While the best that can be hoped for the UK car industry is that the decline will be halted, there is optimism about prospects for the commercial vehicles sector.

Some recovery in demand from the tractor, off-road vehicles, and earth-moving equipment sectors helped to lift output last year—but from a low base; 1978 deliveries were the lowest for 20 years.

Mr. Leybourn remains optimistic that production levels this year will be similar to 1979, but sees little prospect of an early end to the extensive short time working.

The industry, whose principal raw material is steel, was inevitably affected by the recent strike. Supplies were never the serious problem that had been feared, but the strike has undoubtedly hit confidence.

The unusual feature of the industry—admittedly one that has become used to the vagaries of the trade cycle—is the belief that short time working will not lead to significant redundancies or closures.

The labour force has been reduced by only a couple of thousand in recent years and the number of companies remains virtually unchanged at around 95.

Guest Keen and Nettlefolds, with six companies, each operating in competition with each other, is by far the biggest operator, accounting for around 55 per cent of total output. The group's forging exports were worth more than £25m last year, with the U.S. market particularly important.

Small forging companies have withstood the downturn well, showing the flexibility to switch markets and minimise costs.

The main pressure is likely to be on medium sized companies employing 300 to 400 people.

Power station will not use South Wales coal

BY MARTIN DICKSON

HOPES that Didcot power station, Oxfordshire, might become an important new customer for the troubled South Wales coalfield have been dashed by the Central Electricity Generating Board.

The CEGB has told the National Coal Board's South Wales area that its coals are insufficiently volatile for use at Didcot, which consumes 3.5m to 4m tonnes of coal a year, about 25 per cent of it imported through Newport and Cardiff.

In South Wales, the Coal Board, faced with a slump in demand from the steel industry, had hopes of replacing some of the imports going to Didcot, even though Welsh power stations have to be specially adapted to burn the low volatility local coals.

A Coal Board spokesman said yesterday: "We have to respect the CEGB's technical judgment in this matter, but we shall continue to see if ways and means can be found of getting round this problem."

Aid urged for electronics components industry

BY ELAINE WILLIAMS

THE NEED for Government support of the electronics components industry is greater than ever, says the latest sector working party report to the National Economic Development Council published today.

The report points out that the Government has cut at least £15m from Labour's support programme for the components industry, bnt the working party maintains that the industry's future success depends on "at least the initial levels planned by the last Governmant."

If the industry is to improve its quality and output, it needs to rationalise its product lines and introduce more robots into manufacture.

In the past, some types of components, particularly for the television industry, have been criticised for their low quality compared with components from other countries, notably Japan.

Tha report urges closer cooperation between equipment manufacturers and component makers to help the indnstry produce the types of component that the equipment manufacturers need. At the same time, equipment makers should "place mora emphasis on micro electronics" to make their prodncts more reliable and versatile.

This was because "thre is evidence that British equipment manufacturers are lagging behind industrial rivals in the latest component technology."

The working party was disappointed that the Government had failed to recognise the importance of optoelectronics, a rapidly developing section of semi-conductor technology and a key one for the future. Optoelectronics use light sources, inclnding lasers to transmit information in conjunction with more conventional electronic components.

The working party says that its proposals for a £40m support programme by tha Department of Industry remains essential if the UK optoelectronics industry is to flourish. But the Government has no intention of formally supporting the industry. The working party has therefore, decided to explore the possibilities of encouraging the growth of optoelectronics throngh public procurement policies.

Tha components industry employs 128,000 people, half of them women, in more than 500 companies. In 1978 output was valued at £1.1bn with a trade deficit of £40m. Bnt, overall, Britain's export market has improved slightly with mannfacturers exporting 51 per cent of output in 1978 compared with 50 per cent in 1977.

Answering machines rule change

A WARNING was issued yesterday against imported telephone answering machines which are not approved by the Post Office.

Ansafone, the market leader in rented telephona answering machines, said many people who buy unapproved machines will find that the Post Office will refuse to allow them to be used. If they are used, the telephone service may be suspended.

The problem has arisen because the Post Office bas relaxed its rules about the sale of the machines. Since April 1 purchasers have been allowed to connect approved machines to the telephone system. Before that only approved machines for rental from authorised suppliers were permitted.

But Ansafone says unapproved companies are now marketing unsuitable foreign equipment.

Kenneth Gooding on a £7.65m takeover as components suppliers reorganise for the '80s

Brakes off in the truck market

BENDIX CORPORATION is the latest of the big U.S. automotive component groups to reorganise its European operations in preparation for the changes expected in the 1980s.

As the car and truck makers gradually set up their world component supply chains, their outside suppliers are following suit.

Bendix yesterday completed a £7.65m deal through which it gained control of Bendix-Westinghouse, a UK business in whicb it previously had a 50 per cent stake.

That might not seem a big deal, in either sense of the pbarse, but it marks a turning point for Bendix.

"We have wanted to buy Bendix - Westinghouse for years," said Mr. O. Lee Henry, executive vice-president of Bendix Automotive.

Bendix claims to be the world's foremost supplier of truck air brakes. But it wants to do much better in the UK and Continental Europe, where it does not bave market leadership in the same way as in the North and Sonth American markets.

Bendix - Westinghouse will provide the base from which it bopes to make the change.

"But will require a lot of money and it is better to have 100 per cent control before you start spending," said Mr. Henry.

Bendix-Westinghouse was set up in 1970 in Bristol and has about 1,500 employees. The brakes it produces incorporate Bendix technology and Bendix has been responsible for the management.

Under the terms of its contract with Westinghouse Brake and Signal, the other joint owner, Bendix had the right to buy the UK business sbould control of WBS change hands. This clause was activated after Hawker Siddeley acquired WBS for £38m almost exactly a year ago.

Control

There has already been substantial recent investment in the UK company.

Different types of air brake systems are used on the Continent and in the UK. In order to compete in the rest of Europe from a British base, Bendix-Westinghouse has spent £2.2m on a product line which is interchangeable with Continental systems.

Now the American parent has Bendix-Westinghouse under full control. Mr. Henry promises: "The British business will double during the next five years. That includes the number of people we will employ.

"Expansion will not necessarily all take place at Bristol even though there is physically room to expand the plant.

"It is extremely difficult to get skilled labour in the area. But we will spend significantly at Bristol before we think of expanding anywhere else."

He made it clear that the existing management team will carry on.

Tbe automotive sector is one of six key areas on which Bendix is basing its future thrust. The others are forest prodncts, machine tools, aerospace, electronics, aftermarkets, and natural resources (via a $128m, 20 per cent stake in Asarco, one of the world'a leading producers of primary metals).

Antomotive operations accounted for roughly half Bendix's income in 1979: $1.985bn out of a turnover of $3.856bn and $173.5m of operating profit from a total of $350.3m.

As part of wbat it describes as its "global positioning" last year Bendix reorganised its automotive division to make it a unified world organisation.

Up to now the division operated facilities outside North America largely to supply local automotive manufacturers. It has now been welded into an organisation which gives Bendix a worldwide sourcing capability.

Two executive vice-presidents, Mr Henry and Mr J. Mason Reynolds, were given responsibility for all automotive operations which are now set up along product lines.

Mr Reynolds has responsibility for those components for passenger cars, including brake, steering and related products under the general description BACSG (Bendix Automotiva Control Systems Group). Mr. Henry runs BHVCG, or Bendix Heavy Vehivle Components Group, which makes air brake systems and components for heavy trucks and off-road vehicles.

In Europe it seems that Bendix-Westinghouse is to be the manufacturing base for BHVCG, always providing that the pound does not become ridiculously overvalued.

The BACSG base will continue to be DBA, in France. In preparation for this Bendix is also currently engaged in a tidying-up operation and is to but the 7.7 per eent of the shares it does not already own.

A streamlining of DBA bas already taken place with tha disposal of its 51 per cent sharebolding in Ducellier, tha French vehicle electrics company, to Lncas of the UK and Ferodo of France, and its rubber and plastics businesses bave been disposed of.

Bendix is also extending its automotive electronics know-how to Europe via Renix, a joint venture with Renault in France. Renix's plant in Toulouse was completed at the end of last year and is is scheduled to begin prodnction this summer.

The French plant will make engine management systems, including cruise control wbich enables a vehicle to be automatically held at a pre-selected speed.

Electronics is a high-risk bnsiness wbere the technology moves at a rapid rate. Bendix is cutting tha risk by sharing the cost in Europe with a major customer, Renault.

All engineering of the system will be completed by Bendix in the U.S., overcoming the problem that Renault's rivals will not want it to know about their future programmes.

Competition

The major customers for Bendix-Westingbouse are the two Scandinavian truck makers, Scania and Volvo.

Its main competitioo in the UK comes from Wabco and Clayton Dewandre, both subsidiaries of another U.S. group, Amarican Standard. On the Continent, the German end of Wabco as well as Knorr, Grau and Bosch, all German-based, as well as Fiat, in Italy, provide the major challenge.

The European truck markets are not expected to grow in volume terms because there is a move to heavier vehicles which can carry more. So competition would in any case have been severe among the brake systems suppliers without Bendix's determination to grow and grow fast.

Pressure on Joseph over Inmos factory

FINANCIAL TIMES REPORTER

THE NORTH-WEST Industrial Development Association bas written to Sir Keith Joseph, Industry Secretary, restating its case for setting up an Inmos microelectronics factory in the North-West.

The letter comes amid uncertainties over the future of Inmos, a National Enterprise Board subsidiary set up to make advanced components.

Mr. Arnold Tweedale, the association chairman, says in the letter: "Although the Inmos research and technology centre has been located in Bristol, this should not be allowed to prejudice the original commitment by the NEB to site the production facilities in assisted areas."

There has been continuing delay in obtaining Government approval for a second £25m grant that Inmos needs to set up its first factory in the UK, which it wants to site in Bristol.

Last week it was discovered that the delay was due partly to the fact that the General Electric Company is having discussions with the Government about the possibility of a link with Inmos.

GEC already ba sa joint venture with the U.S. semiconductor company, Fairchild, which was recently taken over by Schlumberger, the French oil services company.

Racal subsidiary opens factory at Warrington

BY ELAINE WILLIAMS

RACAL-MILGO, a subsidiary of the Racal Gronp, is opening a manufacturing plant at Chesford Grange in Warrington today to make equipment for the telecommunications industry.

The company has taken over a 35,000 sq ft factory previously used by Racal Communications, which bas new centred its manufacture in Berkshire and Kent. The 130 employees at the factory have been retained and more staff may be taken on before the end of the year.

The Warrington plant is to make modems—which turn compnter and other data into a form wbich can be transmitted down an ordinary telepbone line. Next January, Racal-Milgo will manufacture an advanced microprocessor version of the modem and other associated electronics.

Until now, the company bas made all its prodncts in the U.S. The British-made equipment will be distributed through another new facility based in Hoof, Hants.

Racal-Milgo is part of the £100m Racal Data Communications gronp which also includes Racal-Vadic based in California, Racal-ESL and Racal Information Systems, both UK-based.

Councils in plea over 'late' education charges

BY ROBIN PAULEY

THE INNER London Education Authority is being asked to give the inner London councils more warning of what its annual rate demand is likely to be.

ILEA charges inner London authorities for the education services it provides but does not usually announce how much it wants until February when many councils have already worked out their budget plans.

Last year the ILEA rate collected by the Greater London Council as a precept, was not increased. This year it was put up by 11p or 25 per cent to 54p

● The London Boroughs Association said yesterday that announcing such a befty rise so late left the London councils in an impossible position. There was no reason why a meeting could not be held with ILEA in November at which at least an indication of the likely charge for the next financial year could be made.

The boroughs also have to meet two other charges from their rates — the precept for the GLC and for the Metropolitan Police. These are also announced late but are much smaller than the ILEA charge.

In 1978-79 the authority's net revenue expenditure was £461m and capital expenditure was £18m. In 1979-80 revenue expenditure is expected to have reached £514m.

Consumer groups urge fuel scheme extension

FINANCIAL TIMES REPORTER

CONSUMER groups are worried that elderly people and small children—who both need heat and are potential victims of hypothermia—may suffer from a cold winter because they receive no state aid to help meet their fuel bills.

The chairmen of the Electricity Consumers' Council, the National Gas Consumers' Council and the Domestic Coal Consumers' Council—respectively Mr. Michael Barnes, Prof. Naomi McIntosh and Mr. David Tench—say they welcome recent increases in fuel-bill assistance, but argue that many needy people still do not qualify for such aid.

They have written to Mr. Patrick Jenkin, Social Services Secretary, urging him to introduce a comprehensive fuel allowance scheme to widen the scope of assistance—presently restricted to recipients of supplementary benefit, state pensions and family income supplement.

Those not qualifying, say the consumer groups, inclnde old people on low incomes who do not receive supplementary benefit, and families in work but on low income and not receiving family income supplement. People below the age of 70 and receiving supplementary benefit also need help, they say.

They propose two alternative compulsory allowance schemes. One would give people a basic allowance of free fuel to meet part of their needs; the other would pay a rebate on fuel bills incurred.

UK NEWS

Private housing starts drop 19%

By Andrew Taylor

PRIVATE bousebuilding has dropped abarply since last autumn, reflecting the continued sqneeze on building society finances.

Environment Dapartment figures published yesterday show private-sector housing starts fell by 19 per cent in the three months to the end of February, compared with tba previous quarter.

They were 4 per cent down on the corresponding quarter a year ago, when building work was reduced to a minimum by severe weather.

Public-sector starts were 11 per cent higber than in the previous quarter, 6 per cent higher than a year ago. This reflects the low level of starts in the autumn and winter last year.

Overall, bousing starts were 9 per cent lower than in the previoua quarter and unchanged on activity a year ago.

The outlook for pnblic-sector housing continues to look grim—following the further proposed cutback in Government housing expenditure in 1980-81, confirmed in the expenditura White Paper last month.

MP calls for more by-passes

HISTORIC TOWNS are being "shaken to pieces" by juggernauts, Mr. John Farr, Conservative MP lor Harborough, said yesterday.

He will aak Government to switcb resources from building "empty, wasteful new roads" to providing by-passes to save Britain's architectural heritage.

Disclosure rule hits Press

RAYMOND HUGHES, Law Courts Correspondent, looks at the restraints on investigative journalism in the light of the Granada Television case.

INVESTIGATIVE journalism in this country has always been inhibited and circumscribed by a host of legal restraints. The laws of lıbel, gagging writs, private court hearings, temporary injunctions pending the full (and often far off) trial, the Official Secrets Act and D Notices bave provided a formidable armoury for those anxious to deflect from their actvities the light of publicity.

Now another weapon has been added to the armoury by the ruling of Sir Robert Megarry, the Vice-Chancellor, in the High Court last week that Granada Television mnst name the "person or persons" who leaked to it confidential documents belonging to the Britisb Steel Corporation.

Sir Robert beld that the law did not recognise any public interest in the confidentiality of journalists' sources of information being protected. He also intmiated that be did not hold the ectivities covered by "the cant phrase 'investigative journalism'" in as bigb regard as do its practitioners.

The decision does not change the law, or deprive journalists of any rights tehy had previously. Indede, it demonstrates that they have never had any absolute rigbt to protect the confidentiality of their sources.

Sacrosanct

As Sir Robert said, newspapers were for a long while cooisdered as being in a special position as regards being forced to disclose the sources of their informatin, and that situaotin led to an assumption among journalists that there was something generally accepted as sacrosanct about their relations with their informaots.

Last wek's judgment showed that that assumption rested on nothing more substantial than tha fact that it had not been challenged in the courts for a long time.

Tha court bas a discretion, looking at the particular facts in any case, to decide whether to order disclosures. If, as in the Granada case, it decides that disclosure is necessary to avoid injustice, it will order accordingly. If it were to conclude that non-disclosure would not cause irreparable harm, it could decline to order the naming of informants.

Challenge

Granada intends to challenge Sir Robert'a ruling in the Court of Appeal and, if it loses there, will almost certainly go to the House of Lords.

Its task will not be easy. The Vice-Cbancellor's judgment was detailed, carefully reasoned, and founded on sound legal authority.

Sir Robert is not a judge who makes subjective or injudicious comments. On the contrary, his decisions tend to be rather legalistic and with more than a toucb of linguistic pedantry, and not generally open to challenge on the ground of legal error.

He acknowledged that there was no difficulty in accepting that mucb information was given to the Press under a pledge ol confidentiality, and that some sources of information would dry up if confidentiality were not to be preserved.

He also accepted that there had been many cases of the Press exposing wrongdoings which might otherwise have remained concealed, and that there were no possible grouods for refnsing to accept the proposition that it was in the pnblic interest to preserve the liberty of tha Press.

But that was as far as he was prepared to go. Tha Press, he said, was not in the same category as the police or the National Society for the Prevention of Cruelty to Children (which figured in one of the legal precedents cited in the Granada case), wbose major function was to prevent wrongdoing and to take remedial action when it occurred.

The police had a duty; the NSPCC a statutory power. It was recognised that it was in the public interest that their sources of information sbould be protected.

Self-imposed

The Press, bowever, had no more than "a self-imposed duty," which seemed to Sir Robert a slender foundation for extending to It the rule for the police and the NSPCC.

Investigative journalism was only a minor part of the Press's activities which, to bis lordship's mind, were directed more towards entertaining, making money and attracting advertising.

Nor was Sir Robert impressed by the argument tbat there had been no disbonesty on the part of Granada or its informant, who bad received no money for passing on the documents.

"I find it difficult to see what meaning is to be ascribed to tbe word "bonesty" if it is to be applied to the conduct of an employee who has access to his employer's confidences, and is receiving his pay from them, and yet is secretly removing highly confidential documents from his employers and passing them to third parties to enable them to criticise the employers in public. It would be more frank to describe that as 'disbonesty in what ia claimed to be a worthy cause.'"

Significant

The pinnacle of investigative journalism was reached, not in this country, but in the U.S., wben Woodward and Bernstein of the Washington Post played a significant part in the exposure of the Watergate scandal.

It is worth noting that, had a ruling like Sir Robert's operated in the U.S. at that time, the White House could bave gone to court and obtained an order that the identity of the mysterious "Deep Throat" be disclosed, which would have deprived tha Post of its most valuable sourceof information.

Seventeen years ago, two Britisb journalists were jailed for refusing to disclose their sources of information about the Vassall Inquiry. It remains to be seen wbether any Granada journalists, or their superiors, will suffer the same fate.

Reluctant

What is certain, bowever, is that, if Granada'a appeal is unsuccessful, the Press's sources of information—in Government, nationalised industries and elsewhere—will in future be reluctant to talk, knowing that their identities could be revealed as a result of a court order, and their jobs put in jeopardy.

If that happens, invetigative journalists will not be the only losers.

LABOUR

Another phone bills strike is threatened

BY PHILIP BASSETT, LABOUR STAFF

UNION leadars yesterday opened the way for a repeat of last year's action by Post Office computer staff which led to long delays in the preparation of telepbone bills.

Last year'a action delayed tbe collection of £1bn in revenue. Tbis increased the public sector borrowing requirement end so was one of the factors which led to November's increase in Minimum Lending Rate.

Last month's public expenditure White Paper confirmed that the Post Office's borrowing this year will be increased by some £300m to replace revenue lost during the 13 weeks of industrial action.

Senior Post Office management staff will meet tomorrow to discuss the decision by the national executive of the Society of Civil and Public Servants which gives authority for action by the union'a 6,500 Post Office computer section members.

The executive has deferred taking action until after tomorrow'a meeting of Post Office senior executives, which will form e reply to the union's differentials claim for an increasa ef about 13 per cent.

Though, unlike last year, the society is unlikely to be joined in industrial action by computer staff members of the Civil and Public Services Association, tbe Society believes the Post Office is in a poor state to withstand disruption.

Last year the Post Office bad the cushion of a large profit. This year, the Society's computer staff are working to overcome the backlog of work from last year'a dispute. The society believes that even the withdrawal of goodwill could have a serious effect.

The Post Office has prepared a back-up system of preparing estimeted telephone bills to circumvent the halting of data-collecting computer centres at Leeds and Harmondsworth, Middlesex.

The society believes that closing soma of tha main bill distribution computers rather than the two central bill preparation centres could bave a similar effect, altbough this could lead to much beavier expense for the society because more members would be involved.

The dispute is over an arbitration award to 18,000 supervisory engineers, members of the Society of Post Office Executives, which gave increases of between 21 and 26 per cent.

The society claims this award distorts a 5¼ per ceot payment promised to its members from April 1, in return for some grade restructuring.

Mr. Terry Deegan, the society's Post Office graup secretary, said the union's claim was that the 5¼ per cent should be recalculated on a new base which took into account the arbitration award. This would put the payment at about 13 per cent.

Scottish TUC prepares for bitter attack on Government

BY CHRISTIAN TYLER, LABOUR EDITOR

A BITTER catalogue of charges against Mrs Thatcher's Government has been prepared for debate at the aonual Congress of the Scottish TUC in two weeks' time.

The hrunt of the trade unions' attack will be directed against the Government's monetary policy, public expenditure cuts and defence spending.

The Scottish TUC, althongh Increasiogly representative of the Britisb trade nnion leadership aa a whole, is traditionally more militant in its advocacy of an alternative economic strategy, whatever government is in power.

This year's agenda, publisbed yesterday, is predictably fierce. Unions and trades-councils urge intensification of the campaign against Government policies, aod some want Mrs Thatcber either to change course or pnt ber policies to the test of an early general election. Kirkcaldy and District Trades Council seek demonstrations, industrial action and even a general strike if necessary to register union disapproval of the Government's economic policy.

Relations with Opposition are likely to loom large in this assembly, whicb in recent years has provided useful pointers to the deliberations of the British TUC Congress in the antumn.

The sbopworkers nnion USDAW is asking for collaboration with the Labour Party oo social, economic and industrial policies—a line which two of the more militant wbite-collar unions wish to temper by ruling out any pre-Eelection deal on a wage restraint policy of the kind implemented by the last Labour Government.

Tbere are several motions asking for Britain's witbdrawal from the Common Market, and the Scottish miners are reviving the idea of a Scottish legislative assembly.

Trade union law reform will be among tbe most contentious of the issues for debate at the conference, starting In Perth oo April 21. The Brigades' Union bas gone as far as to suggest a "trade union strike support fund" to counter CBI plans for e strike insurance fund.

Nurses told of 14% pay limit

BY PAULINE CLARK, LABOUR STAFF

UNION LEADERS of Britain's 490,000 nurses and midwives were told plainly yesterday that nurses' pay increases this year will have to he contained within the Government's 14 per cent National Health Service casb limit.

Dr. Gerard Vaughan, Health Minister, made the Government's position clear in a radio interview as union and management negotietors resumed talks on pay increases due at the end of this month.

He said the Government would be happy to discuss nurses' special problems within a wider context. But, for the moment, there was no more money outside the cash limit after the £430m cost of the Clegg comparability award to nurses.

The unions, who expressed great disappointment with tbe 19.6 per cent Clegg commission award early tbis year, have demanded a 30 to 35 per cent increase. They argue that 14 per ceot is not even enough to sustain the purcbasing power of the Clegg award.

The Confederation of Health Service Employees decided at an executive meeting to call on its members to join in the TUC's day of protest against Government economic policies on May 14.

The 215,000-strong union decided against all-out strike action, and will guarantee essential services on the day. Non-essential services, however, will he hit when local branches organise deputations to area health authority offices and other demonstrations against cuts in puhlic spending.

EMA likely to join confederation

BY ALAN PIKE, LABOUR CORRESPONDENT

THE Engineers and Managers Association, whicb bas been fighting for the right to represent professional staff in the engineering industry, apears likely to achieve its ambition of joining the Confederation of Shipbuilding and Engineering Unions in Juoa.

Confederation membership would greatly assist the association's development in wide areas of the Engineering Employers' Federation and in British Aerospace, where recognition has been confined to confederation unions.

The EMA applied for membersbip late last year. Inquiries have since been made by the confederation's general purposes committee and a final decision will be made by all affiliated unions at the annual meeting in June.

Present indicatioos are tbat the Amalgamated Union of Engineering Workers engineering section, the Electrical and Plumbing Trade Union and the Association of Professional, Executive, Clerical and Computer staff are among the large unions whicb have either decided to support the EMA's application or are actively considerlng doing so.

Oo this line-np, the EMA's chances of success would be strong even though the voting intentions of the Transport and General Workers' Uoion are not yet finalised.

Snpport for the EMA from the Rigbt-wing-led AUEW engineering section would further strain relationships with TASS, the union's Left-wing white collar section. TASS, the EMA's bigges opponent in tbe fight to recruit professional engineers and managers, strongly opposed the EMA application.

The EMA decided in principle that it should join the confederation io 1978, although it did not consider the time was rigbt to apply. EMA

Strikers seek shareholder support

BY OUR LABOUR EDITOR

STRIKERS at e Huddersfield enginaering company are seeking sharebolder support in their effort to resolve a five-week dispute about pensions.

Leaders of the 1,600 staff and manual workers at Hopkinsons, manufacturers of power plant valves, have taken local newspaper advertisements suggesting that shareholders Intervene at the annual general meeting next month.

Strike leaders say they have the support of local Conservative MP, Mr. Geoffrey Dickens. His comments on management bandling of the dispute are said to have led to a complaint by the deputy managing director to Mrs. Margaret Thatcher.

Mr. Granville Clay, deputy convenor and an executive memher of the Engineering Unioo's white-collar section TASS, said the strikers are being asked to return on conditions that would lead to the "break-np of trade union organisation" at the plant.

He said the strike had started in response to an attempt to weaken the pension fund. Since then the company had proposed changes affecting pay, grading and shop stewards' representation that made a return impossible.

The company was not available for comment last night.

New jobs plan for teachers

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

STEPS TO reserve new teaching jobs for people qualified in mathematics, sciences and crafts were announced by Mr. Mark Carlisle, Secretary for Education and Science, at the National Union of Teachers' conference in Blackpool yesterday.

"This could act as a worthwhile incentive to people wondering whether to train as teachers in such shortage subjects," be said.

The announcement was one of his few remarks heard in silence. His speech was continually interrupted by about 200 militants among the 2,000 delegates.

Although flustered—he twice addressed Mr Peter Kennedy, union president, as "Mr Speaker"—Mr Carlisle bore the heckling with goo bumour. He did not flinch from tackling topics which, to union members, are contentious.

These Included the contraction of public spending on education at a time of financial stringency and declining child population, and tbe proposal for a clearer definition of a teachers' duties. This was unanimously rejected on Monday.

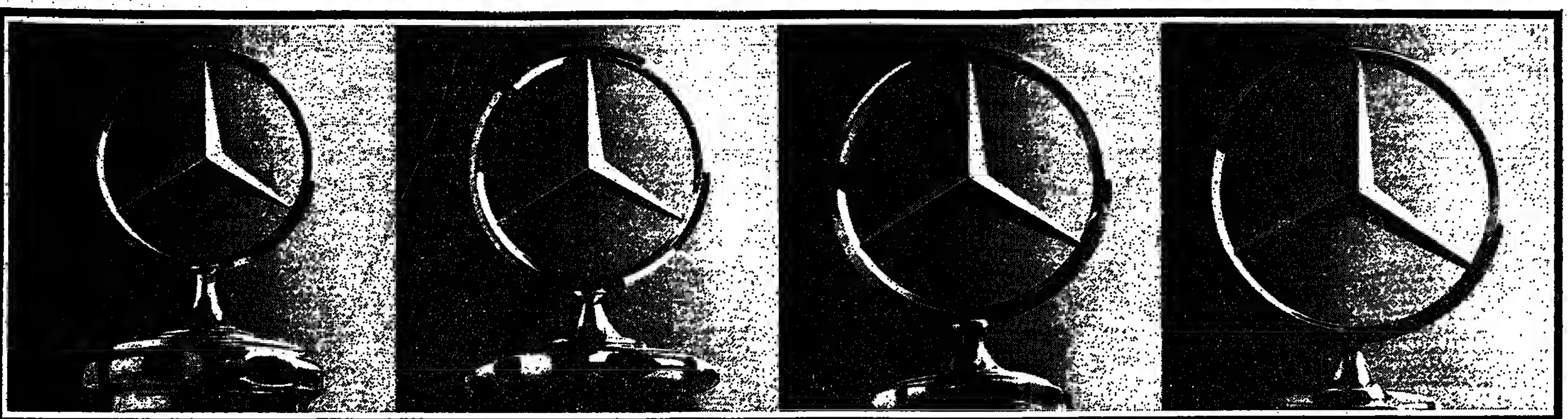
Mr Carlisle criticised the disruption of schooling caused by unions withdrawing members from responsibilities—sucb as supervising meals—at preseot regarded as voluntary.

"We have reached the time when a rather more precise definition of a teacher's rights and responsibilities could be belpful both to children and to teachers in our schools."

When Mr Carlisle sat down, the union president hroke with tradition by saying teachers could not acbieve the improvements tbe Government wanted without the extra resources it was denying.

Editorial comment, Page 14

OVER THE YEARS, MERCEDES-BENZ HAVE MADE SOME CHANGES TO THEIR ORIGINAL DESIGN.



1926 1951 1968 1980

Car design may have undergone some changes over the years, but the star on a Mercedes-Benz has never followed short-lived fashions.

Ever since 1926, the star has represented the ambitions of the two men who invented the car.

Gottlieb Daimler and Karl Benz who forty years before had, unknown to each other, both proved that high-speed petrol engines were capable of powering road vehicles.

The name Mercedes belonged to the daughter of the then Austro-Hungarian consul-general who entered his 23 h.p. Daimler in a race which he easily won.

Many more racing successes followed and the name Mercedes very soon became established as the name for all Daimler cars.

Scarcely a decade had passed since the invention of the motorised vehicle before Daimler and Benz wished to regularly test and compare their new vehicles in racing competitions and rallies.

Racing competitions tested the vehicles' speed and overall performance, rallies tested construction and endurance over long distances.

Their aim was to test the basic features of design in order to build a car that was suitable for every road condition and every traffic situation.

To design a car that would be equally at home in the northern hemisphere or at the equator, on made-up or unmade roads.

Since 1926, when the firms of Daimler and Benz joined together, their aims have gradually been fulfilled.

Over the last fifty-four years Mercedes-Benz have been developing increased engine performance, easier handling, practical comfort and greater safety for the driver and passengers in the event of an accident.

In 1951, for example, Mercedes-Benz were the first to design the safety cell, a rigid compartment with collapsible crumple zones at the front and rear of the car.

The combination of passive safety with active safety is, in itself, a symbol of Mercedes-Benz.

Passive safety helps to avoid injuries in the event of an accident, and active safety gives the driver all possible help to avoid just that sort of situation in the first place.

In 1968, for example, we saw the development by Mercedes-Benz of the semi-trailing swing rear axle.

It was a simple system to ensure maximum road-holding, especially when you are braking and cornering, while maintaining all the benefits of independent suspension.

It was yet another example of Mercedes-Benz continuing to research and develop, and to refine the concept of the motorised vehicle.

Yet another attempt to reach technical perfection, as is every improvement made by Mercedes-Benz.

And that's exactly what the star represents on every Mercedes-Benz you see on the roads in the 1980's.

Mercedes-Benz

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TRANSPORT

Experimental rail system in Ontario

THE CANADIAN Urban Transportatioo Development Corporatioo set up by the provincial Ontaria government in 1973 is boping to go ahead with an experimental rail transpurt system this year io the town of Hamilton, Ontario.

Final apprnval of its plans are awaited from tbe federal government for its "intermediate capacity transit system" which uses fast, lightweight electric trains designed for use in suburban areas of cities either above, below or at ground level.

The corporation bas already built three prototype vehicles which bave been tested at its specially constructed test centre at Millhaven. The vehicles, which have linear induction motors, designed and built by Spar Aerospaca of Toronto with a regenerative breaking system, will eventually form trains up to 120 ft long. Each train will be able to carry up to 200 passengers.

They are inteoded for public transport in snburban city areas with the capacity to carry up to 15,000 people in each direction per bour. The developmeot corporation says this compares with 40,000 per bour for a conveotional underground traio system and 7,000 for buses or street cars.

Canadair was appointed general contractor of the system to produce a marketable product. The development corporation was set up to encourage the growth of public transport and to stimulate the commercial application of new technology by private industry.

It is boped that the planned system in Hamilton will form a showcase for manufacturers for marketing of the system overseas as well as within Canada itself.

If Hamiltoa is successful, a second system will be installed in Tnronto to link up a presently poorly transport-served area of the city to the centre. Even though Canada is a relatively oil-rich nation it is very concerned to reduced public dependence on cars.

ELAINE WILLIAMS

● POWER

Electronic motor drive venture

MOST PEOPLE in the general engineering industry will associate the oame H. Brammer with mechanical traosmissions for industry: the company was built on the production of drive belting for production lines and machine shops and today is noe of the biggest distributors of bearings and other transmission components.

But times are cbanging and the company recently decided that it should have a stake in the variable speed electronic drive market and struck up an associatinn with Hnldsworth Electrooic Developments.

As a result a new company has been formed, Brammer Dynamics, and is tn market a drive for AC motors in which speed control from nnly a few rpm up to about 20 per cent above the rated speed can be obtained.

Technique used appears to be the same in basic principle as several other market introductions over the years: the incoming mains is cooverted tn D.C. whicb is then used to provide power at a variable frequency and voltage to drive the motor, thereby enabling its speed to be altered.

In practice this is performed by three banks of foreedcommutated thyristors which are used to switcb current in and out of the three motor phases at variable rate and duty ratio and the company claims to bave been particularly successful in rednciug harmonics and prodncing a clean sine wave. Thus, full rated power cao be nbtained from the motor shaft at full speed withnut any need to re-rate due to the presence of high harmonic cootent.

The system uses a shaft reference for control purposes and the available functinns — speed setting, acceleration and deceleration, reversing and emergency braking—are dealt with digitally under the control of a micro-processor.

Initially the company is producing a unit that will drive motnrs up to 7.5 kW (10 bp) but within a year expect to be able to offer 50 hp units.

Since the control system is digital, it offers the ability to control motors via an IEEE 488 bus. In this way groups of motors on different parts of a process could be ideally and centrally controlled for maximum efficiency of the applicatiou.

It is also possible to provide facilities which will make the motor speed independent of fluctuations in tha load or varistions of mains supply.

In addition the drives are designed to produce extra high currents in the windings of the motor at start-up, yielding very high torque and smooth drive at low speeds. Starting up under full load is feasible. Speed synchronism of a number of motors can also be achieved.

The company will be aiming the system, called V-DAC, at both new and retrofit installations. Considerable operational advantage over DC drives is claimed ond, in terms both of bow drives are used in general and the design of the electronic systems themselves it is evident that worthwhile savings of energy can be achieved.

Opinions vary as tn how much, but if it is assumed that over half the electrical energy consumed is in the use nf electric motors, even a few per cent of saving represents large sums io terms of prime fuel burnt.

Brammer claims that its control is tbe first of this kind tn be completely designed in the U.K. It will be subcontracting manufacture initially, starting its own production line wben demand warrants.

But it will be up against some very well established companies in this field, both UK and international.

GEOFFREY CHARLISH

● PROCESSING

Fast choke winder

SMALL ferrite-cored radio radio frequency cbokes can be wound at rates between 600 and 900 an hour using a rotary indexing machine designed by Rotawinder, Forest Road, Hainault, Essex IG6 3HJ (01-501 0921).

The machine has index stations for loading, winding, wire cutting, soldering and ejecting. Ferrite cores np to 120 mm long and 6 mm in diameter complete with axial wire end posts are placed in a chuck at the loading station and positioned by the operator against a stop. Turns are put on at the winding station, the mechanism ensuring that the precise number are always applied, and a few are wrapped round the terminal post at each end. The choke is then indexed to a wire cutting station and twn consecutive soldering stations wbere the ends are soldered and the excess solder blown away.

Finished components are unloaded by a friction pad that unlocks the chucks and a jet nf compressed air sends tbe chokes into a chute.

The machine requires an air supply of 80 psi and a singla phase mains supply.

● SAFETY

Reduces the spray

SPRAY THROWN up by large vehicles can be subdued, it is claimed, if a new type nf rain flap introduced by Monsanto, is fitted.

The device, is a combination of flap and valance, the flap being made from thermnplastic sheet which, on one side, is covered with polyethylene "blades." Water thrown by the vehicle's tyres is trapped by the "blades" and redirected to the road surface.

Monsanto has called the anti-spray device Clear Pass and the first UK distributor is Dunlop. Clear Pass will be provided in kit fnrm fnr all leading makes of tractor and semi-trailer. Price of a kit to fit out a 4-axle articulated unit will be about £270.

● MATERIALS

Protective coating

EXPOSED areas of yachts and larger vessels can be protected by means of the latest elastomer coating material produced by Irathane International.

It is said to be already in use in Australia to protect the aluminium masts and booms of yachts and is currently being used on a variety nf larger vessels for waterproofing cabins, cockpits and superstructures.

Suitable for spraying by airless spray on to all the usual marine substrates, it will also bond to form a tough but decorative finish to beavy-duty coatings which have been applied to the surface for other purposes.

More information about the coating can be nbtained from the company at 30 Worthing Road, Horsham, Sussex, RH12 1SL (0276 26466).

● HANDLING

Electric stacking truck

A PEDESTRIAN-controlled electric stacker of 1250 kg capacity and called the GEA 12.5 has been added to its industrial truck range by MIC (UK) Sales of Southmoor Road, Wythenshawe, Manchester M23 9DU (061-998 9833).

It has a mast fabricated from cold drawn steel and the stacker is available with two lift heights (2.9 metres and 3.6 metres); two types of mast (telescopic and duplex with full free lift); and two fork lengths (1000 and 1150 mm).

Three different battery combinations may be fitted depending nn whether the application calls for low, average or intensive utilisation.

All the controls are grouped on the steering handle and enable the selection of three forward and reverse speeds. A push button on top of the handle controls the raising nf the forks, while a lever on the apron activates the lowering mechanism. A safety key, which is also at the top nf the bandle can be used to reverse the truck's direction of travel in the event of an accidental manoeuvre.

● DATA PROCESSING

New equipment will improve the service

IN A move to improve services, CMG Computer Management has chosen Hewlett Packard equipment to handle the flow of work to and from the group's two twin Burroughs mainframe installations in Croydon and Amsterdam.

The move backed by Systems Research of Michigan is part of the CMG Group's plans tn establish the service bureau approach as a strong contender to medium and small stand-alone data processing systems and is in line with increasing user desire to access proven business systems via terminals in their own offices.

CMG, who chose this approach after an investigation into the future of the computer services business, has installed the new front-end processors to improve its remote processing facilities substantially.

Providing the base for the development of CMG's own private communications and distributed processing network for customers, the Hewlett-Packard based SRI/DCS systems bave replaced the existing Burroughs B874 front-eod equipment at CMG installations. The new front-end processor in the UK is connected to CMG's two Burroughs B3800 processors, while in Holland it operates with B3800 and B3700 processors.

The equipment increases CMG's remote capability by at least a factor nf two and enables each Installation tn support nver 400 on-line terminals, as well as continuing tn provide btch services to over 2,000 nther users.

SRI's FEP system can talk to other mainframes; handle a wide range nf terminals; eliminate changes to applications programs even when changing interfaces and terminals; improve handling and data throughpnt and halve program development time.

Also offered by CMG to computer installations, as well as to existing information processing clients, is a service, which will be based oo the Honeywell Page Printing System, to help many installations cope with printing peaks, as well as reduce investment in equipment, stationery and storage.

The new printing technique permits high qnality printing on conventional office-sized paper and even personalisation and addressing of reports for management use.

Production of computer nntput using the PPS can be achieved directly from magnetic tape: The system will accept tapes from a variety of large machines.

With the Page Printing System, text has the appearance of high quality printing rather than conventional computer printing. Computer information does not need to be retyped or photo-reduced hefore it is included in reports nr documentation, and every copy is individually produced and not a carbon copy.

CMG (UK), Sunley House, Bedford Park, Croydoo, Surrey. CRO 2AP. 01 681 7631.

Four more terminals

THREE visual display terminals and a high speed bi-directional printing termioal bave been announced by Prime Computers (UK) 1 Lampton Road, Hounslow, Middlesex TW3 15B (01-572 6241).

The VDUs range from £700 to over £1,600 in price and the bottom of the range unit, called Newbury 7002, is a Teletype compatible ISO/ASCII device display 24 lines of 80 characters/line and having 7 x 5 dot matrix characters. Baud rates are from 50 to 19,200 aod foll nr half duplex working can be selected.

The more expensive unit, the Lynwood, is an Intelligent terminal based nn 16-bit architecture. It offers IBM 3270 emnlation and is fully compatible with the compaoy's transaction processing software.

Hycom B is the name nf the printing unit: it is capable of continuous bi-directional operation 24 hours a day by virtue of along life ballistitc head. It can perform true lower case printing with descenders and can handle a wide variety of paper.

BASE LENDING RATES

A.B.N. Bank	17 %	■ Hambros Bank	17 %
Allied Irish Bank	17 %	■ Hill Samuel	§17 %
Amro Bank	17 %	C. Hoare & Co.	†17 %
American Express Bk.	17 %	Hongkong & Shanghai	17 %
Henry Ansbacher	17 %	Industrial Bk. of Scot.	17½ %
A. P Bank Ltd.	17 %	Keyser Ullmann	17 %
■ Arbuthnot Latham	17 %	Knowsley & Co. Ltd.	19 %
Associates Cap. Corp.	17 %	Langris Trust Ltd.	17 %
Banco de Bilbao	17 %	Lloyds Bank	17 %
Bank of Credit & Cmce.	17 %	Edward Mansoo & Co.	18 %
Bank nf Cyprus	17 %	Midland Bank	17 %
Bank of N.S.W.	17 %	■ Samnel Mootagu	17 %
Banque Belge Ltd.	17 %	■ Morgan Grenfell	17 %
Banque du Rhone et de la Tamise S.A.	17½ %	National Westminster	17 %
Barclays Bank	17 %	Norwicb General Trust	17 %
Bremar Holdings Ltd.	18 %	P. S. Refson & Co.	17 %
Brit. Bank of Mid. East	17 %	Rossminster	17 %
■ Brown Shipley	17 %	Ryl. Bk. Canada (Ldn.)	17 %
Canada Perm't Trust	18 %	Schlesinger Limited	17 %
Cayzer Ltd.	17 %	E. S. Schwab	17 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	18 %
■ Charterhouse Japbet	17 %	Standard Chartered	17 %
Choulartons	17 %	Trade Dev. Bank	17 %
C. E. Coates	17 %	Trustee Savings Bank	17 %
Consolidated Credits	17 %	Twentieth Century Bk.	17 %
Co-operative Bank	*17 %	United Bank of Kuwait	17 %
Corinthian Secs.	17 %	Whiteaway Laidlaw	17½ %
The Cyprus Poonlar Bk.	17 %	Williams & Glyn's	17 %
Duncan Lawrie	17 %	Wintrust Secs Ltd.	17 %
Eagil Trust	17 %	Yorkshire Bank	17 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½ %		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	18 %		
■ Antooy Gibbs	17 %		
Greyhound Guaranty	17 %		
Grindlays Bank	‡17 %		
■ Guinness Mahon	17 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼%, and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand deposits 15%.

Harmony can aid small business in Europe

ONE of the more notable aspects of small business representative organisations in the UK is their tendency to disagree on questions affecting the best interests of amall business and their belief that they alone are best able to speak on them.

A test of whether they can set aside these differences in pursuance of the common good is to be given on July 3, the date now set for the amall business conference heing organised hy Fred Tuckman, chairman of the small busioess committee of the European Democratic (Conservative) Group in the European Parliament.

The conference, which is open to representative organisations rather than individual small businessmen, is heing held in London to give UK small business the opportunity to pnt forward Ideas which it feels the European Parliament could implement to improve the business climate. As Mr. Tuckman, MEP for Leicester, puts it: "The key focus will be on the question of what we can do to help open up markets and finance and to help barmoniaation."

The provisional programme which has now been drawn up is designed to enable the representative organisations to establish a dialogue with a range of EEC representatives. In addition to MEPs from tbe UK, Germany, France, Holland and Italy, two senior officials will be attending from the industry directorate of the European Commission. A small business representative from the U.S.—wbere a major White House conference on small business was beld in January—may also attend.

David Mitchell, tbe Industry Minister in the British Government with a special responsibility for small business, is to address the conference, but in his role as chairman of the European Small and Medium Sied Business Units.

The morning session of the conference will he devoted to the discussion of representations from the various interest groups. In the afternoon, following an address by David Mitchell, there will be contributions from business, the European Commission and the British and European MEPs. The final session will draw together the day's discussion and produce an agreed programme of action.

The success of the ronference seems likely to rest on the abiliiy of the representative organisations not only to agree a set of proposals, but to follow through the day's events. Mr. Tuckman stresses that bis group's role is merely a "facilitating function." The initiative for action rests squarely with small business itself.

Though finance is always a major preoccupation with small companies, wbat Euro MPs rould do on a community wide basis would seem to be very limited. It may well he argued that the recent British Budget measures, such as the allowance of capital losses on invcstments in small companies to be offset against income, have given an adequate leg-up for the time being. But another area with which small companies often have trouble is marketing, and it may be more in this sort of area that aome form of EEC inspired action may be possible.

Nicholas Leslie

Business courses

Job-Evalnation—the settling of differentials, Uxbridge, Middlesex. April 29-May 2. Fee: £235. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex, UB8 3PH.

Personnel and Tax Planning for Profit Sharing Schemes, London. April 25. Details from European Study Conferences, Kirby House, 31 High Street East, Uppingham, Rutland, LE15 9PY.

Microprocessors—the cballenge to marketers, London. April 30. Fee: £65 (plus VAT) members, £70 (plus VAT) non-members of the Institute of Marketing. Details from The College of Marketing, Moor Hall, Cookham, Maidenbead, Berkshire, SL6 9QH.

Finance for the Non-Financial Director, London. April 28-29. Details from The Registrar, Charterhouse Management Courses, 40 Charterhouse Square, London EC1M 6EA.

Cultivating quality and reliability may be the key to a better harvest

John Makinson examines the recovery strategy of a British farm-machinery maker

BRITAIN'S farm machinery industry has enjoyed a pre-eminent international reputatioo since the early eighteenth century, when a country farmer named Jethro Tull ushered in the agricultural revolution by inventing the seed-drill. Right through until well after the second world war, it maintained that position despite intensifying international competition and the gradual decline of many other sectors of the UK mechanicsl engineering industry.

The oil price rise of late 1973 marked the begining of a period of dramstic decline. One of the most recent illustrations of this trend was February's closure hy the Canadian-owned Massey Ferguson group of its Kilmarnock factory, bringing to an end a fairly brief and inglorious history of combine harvester production in the UK.

The oil crisis followed a boom period for farm machinery producers worldwide and affected both sophisticated and developing markets. The UK industry has heen particularly hardhit, whereas the West German, for example, has suffered badly.

Only 10 years ago, Britain was exporting arouod three times as much farm machinery as it imported. This surplus bas now been almost eliminated. In the first nine months of last year, exports (excluding tractors) were down 1.4 per cent on the same period of 1978. Imports, by rontrast, had increased by 12 per cent.

Sharing in the malaise is Howard machinery, an East Anglian company which made its name producing tillage equipment. In its last financial year, to October, 1979, profits slumped hy almost half to £1.2m on sales of £85.5m In its peak year of 1974, the group had made £4.6m.

Howard is exceptional in heing a fairly large, but independent, producer of farm machinery. It is the largeat of a handful of such compauies listed on the Stock Exchange and the only one to maintain prodnction facilities overseas. Howard makes more than half its sales abroad and roughly 50 per cent of its productiun is generated by foreign subsidiaries.

The main agricultural machinery manufacturers in Britain are divisions of multinational groups, notably Massey, International Harvester and Ford. At the other end of the scale lies a plethora of small companies, some of wbich bave been acquired by diversified groups sucb as Thomas Tilling and Hestair. Others bave retained their independeoce and remain workshop-industries, serving local markets with narrow product ranges. There are around 400 such com- in the UK.

Howard is sandwiched hetween the two calegories, maintaining a limited range of products but selling them worldwide.

The core of Howard's business has always heen the "rotavatnr," a straightforward piece of tillage equipment which lifts rather than ploughs the soil. The rotavator was invented in Australia in the 1920s and launched in the UK in 1938 by the company, then called Rotary Hoes.

Since then the product has heen made increasingly sophisticated, iocorporating, for example, a speed-change gear box. A wide range has heen built up to suit tractors of hetween 12 and 140 horsepower. A variety of hlades is available to handle different crops.

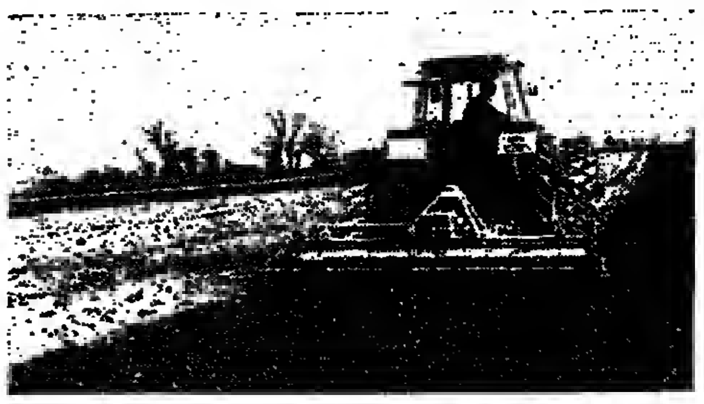
Tbe group has also added a series of ancillary products. Some carry generic names: the rotaspreader, rotaplanter, rotaspike and rolamix. All are driven by the power of a tractor. Howard also makes a useful line in manure spreaders, though market peoetratioo here has fallen from 90 per cent to around 50 per cent since the patent expired three years ago.

Disappointing

To compensate, the group moved into a slightly different market, patenting a big haler which was launched in 1974. But aales have so far been disappointing. Finally, Howard produces a range of single-axle tractor cultivators suitable for horticultural use.

Howard's prohlem over the last decade has been to maintain its share of a market which it has traditionally dominated. Until about 1970, there was no effective competition for the Rotavator. Recently, however, several other companies have entered the field, notably two Spanish and several Italian producers. Over the past four or five years, they have extended their distribution from Europe to North America.

At the same time, Howard's home market bas been under attack from these lower-cost producers selling with the advantage of a favourable exchange rate. Howard still bas aroūnd 70 per ceot of the UK markel for rolary cultivalors but import penetration for the larger category uf cultivators and hoes had increased from 19 per cent in 1974 to 52 per cent by 1976.



The Rotaspike, part of Howard's range of tillage equipment

The success of foreign companics is illustrated by Howard itself. The company not only sells its own products, but also merchanted ones, mostly West German Claas machines; turnover on this side has risen hy almost 130 per cent over the last five years. Its own products, by rontrast, have seen a sales rise of only 34.5 per cent over the same period.

The only Claas product which is at all competitive with Howard's raoge is a haler, so comparisons of their relative success can at hest he indirect. Howard, for example, is highly sensitive to the market for tractors—which power almost all its products. Claas is less so and has, in particular, been able to exploit the decay of UK combine production with its own model.

Nonetheless, West Germany has heen the most successful rompetitor with the UK in agricultural machinery markets and UK imports from Germany are higber than from any other source. The Claas success is therefore no aberration.

A recent survey hy the Science Policy Research Unit of Sussex Uoiversity suggests that British farmers have preferred German goods for their quality and performance, rather than for their price. Ao efficient spare-parts service and rapid delivery times were also cited by farmers as recummendations for the German products.

Sinre agricultural machinery is often in nse for only a few weeks per year, a shortage of spare parts in the event of a breakdown can spell disaster.

The survey suggests that tecbnical sophistication is an extremely important ingredient in determiniog competitiveness. German rompanies generally spend a higher proportion of sales on research and development than their British counterparts. There appears to he a close correlation between patent activity and exports.

Howard is singled out in the survey as unusually innovative for a British company, though its present straitened circumstances bave forced it to reduce R and D expenditure.

It also rerognises that the distrihution and servicing arrangements for imports are often superior to those of British companies. This is one reason why it rompletely reorganised its distribution network six years ago.

It is for allied reasons that Howard is determined to maintain its overseas distribution and manufacturing network. It bas 15 foreign subsidiaries or associates. Most are very small, but Peter Coleclough, the group's chairman, believes that the first-hand contact with distributors that they provide is essential to a successful sales performance.

They also contribute significantly to the development of new products. A Howard grape harvester, for example, was developed entirely by a French subsidiary. All overseas managers include a paragrapb on R and D in their monthly report.

The reteotion of these foreign operations bas, bowever, meant substantial rationalisation at home.

Howard has sold two factories, at Ipswich and Washingtoo, Tyne and Wear, for £1.8m—only a few years after they were opened. Its 50 per cent stake in a UK subsidiary has also heen sold and the disposal of an office block and warehouse at Saxham, Suffolk, is currently heing negotiated.

The slimmiog down will leave Howard with two UK manufacturing plants, as well as a merchaoting division. The proceeds will be used to improve the group's halaoce sheet, which by the end of last year showed net borrowings equivaleot to more than half of shareholders' funds.

Howard is now run from a modest and draughty manor house outside Ipswich, wbich accommodates only the board and a few secretarial staff. Peter Coleclough helives that the curreot pruning—which will result in around 250 redundancies—should mark the end of the rationalisation programme. Altogether around 850 redundancies have been necessary over the past decade.

Population

Coleclough is ronfident that Howard is well placed to benefit from any upturn in the world market. He points to the increasing world population and the enormous potential markets as evidence to suggest that the current depression is anomalous.

He claims that imports are not in general "hetter priced, marketed, serviced or researched" though he accepts that, in certain product areas, the UK farm machinery industry is not meeting the requirements of the domestic market.

Until world demand improves, bowever, Howard will bave to resort to expediency in improving the health of the company.

A first priority is to reduce the embarrassing level of stocks, which were 22 per cent higher in nominal terms in the 1979 balance sbeet than a year before. Part of this was attributable to a management problem at the group's German subsidiary, which bas apparently been rectified, and part to a build-up at a U.S. subsidiary which markets leisure boat engines. These products have experienced a sharp drop in demand.

The sale of the stake in the subsidiary will remove around £2.1m in stocks — or around 6.5 per cent of the end-1979 total. But there is, however, a limit to the extent that stocks can be run down. Demand is highly seasonal and finished products have to he carried until the cultivation season. Furthermore, large orders can emerge suddenly from developing countries which require rapid delivery.

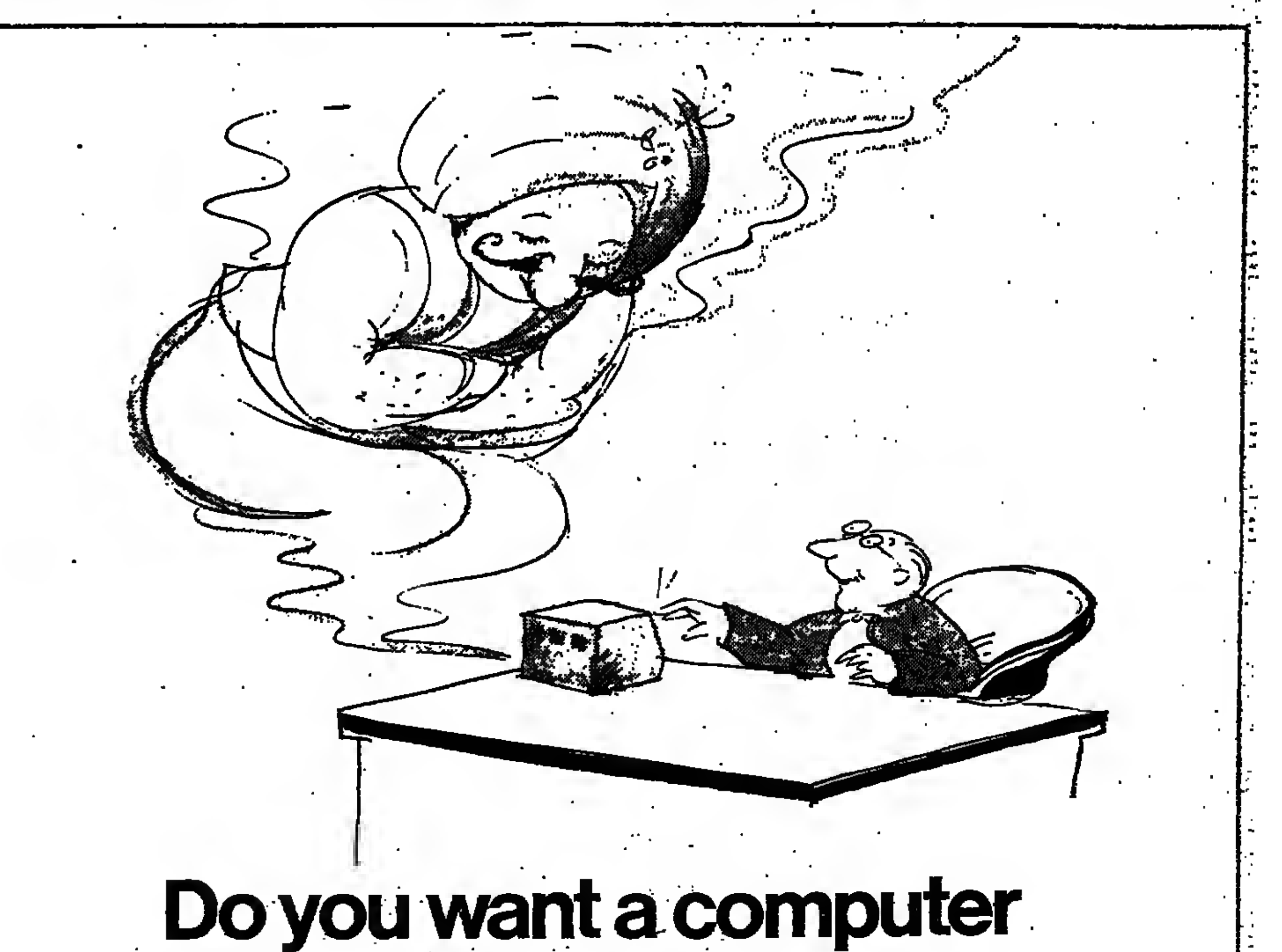
While markets generally are flat, Howard is seeking out pockets of demand which it can satisfy. Coleclough helieves, for example, that there is a growing market in the U.S. for cultivation equipment which can be used hy the amateur farmer.

Stock reductioos are also unlikely to hoost Howard's sales. Coleclough accepts that engineering problems were partly responsible for the poor sales performance of the hig baler hut also reckons that the innate conservatism of farmers played a part. He helieves that farm machluery has to be "taught, not sold" and that farmers and distributors must he educated about tbe cost savings of machinery, as well as about servicing and maintenance. With this in mind, tbe Howard group holds courses for 2,000 people each year.

Educating the farming community is a lengthy process, however, and will have little short-term impact on sales. The next few years are likely to be difficult.

Yet, if the Sussex study's conclusioo that quality and reliability are more important factors than price proves accurate, and if Howard continues to innovate and improve its distribution, then it should be well placed to attack foreign competition when the market improves. At present, though, the demand picture loks very hleak.

Technicol Change and Competitiveness in Agricultural Engineering: the Performance of the UK Industry. Dr. Roy Rothwell, SPRU, University of Sussex (0273 686758).



LOMBARD

The writing on the chart

BY ANTHONY HARRIS

IF ONE chart is worth a thousand worda, this is a long Lombard column. It is o reminder of a fact fairly familiar to anyone close to the stock markets. The institutions huy most heavily when prices are highest. Fund managers like to explain that this is hecause institutional money so dominates the market that they cannot help it. Less partisan observers might conclude that they tend to he mugs.

This controversy hes of course been going on for years — certainly oince the great U.S. discovery that 90 per cent of actively managed funds made less money than they would if they sent all their investment managers on holiday but it has always in the past been a matter nf rather limited interest hecause, as it well known, decisions about real iovestment in thia country are largely taken oy company hoarda using their own retained funds, and whatever they con horrow from the banks.

Gilt-edged

The real investment game has heen played in gilts, and the institutiono have proved well able to exploit the weakness of the Government as a forced seller o fotock. As taxpayers, we might wish that tliey were more incompetent; as pensioners, we will benefit.

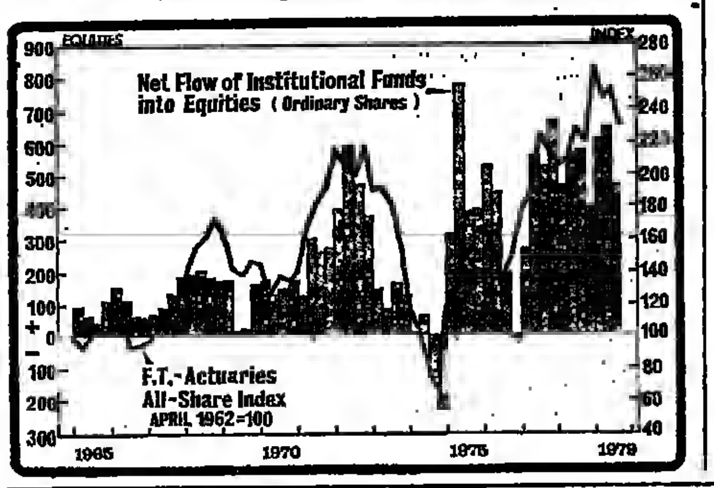
Now, however, the nature of the game is changing, and will change very radically, if the Budget Red Book is to be believed. A decade of excessive Government horrowing, which has pre-empted most of the savings gathered in hy the instituttinns, is coming to an end. At the same time, the attempt to stop inflotiou hy pure monetary pressure is playing Old Harry with the cash flow of industrial companies, and the pain looks enduring.

The reault of all this, apart, it is hoped, from much lower interest ratea, is that our fund managers are going to play a much more central role in our affairs from now on. They are, in effect, heing given the management of a large proportion of our oil revenues—for the Government decioioo to use the hulk of the revenues to cut Government horrowing meana ln effect, that thooe revenues are heing turned into capital.

In addition, they will have a large aay in determining which British companies cao grow vigorously. Companiás will need external funda, pretty certainly; hut if, aa seems likely, inflatinn suhsides only slowly, while crowding out in tbe long term markets dias away rather quickly, companies will he in a good poaition—for the first time in some years—to fund some of their hank indehtedness; and those firma wbich can most readily do so, through equities, convartibles or whatever, will he in the hest poaition to grow.

The question

So we come back to the question posed hy the chart: are the people whose judgment is depicted here up to the job? Or has Sir Geoffrey Howe got to push through a secondary tax revolution—one already implied in his Budget hint that he would lika to reverse tha trend to institutional dominance? and if so, how? It gies one, as Poirot would put it, furiously to think. For further furious thougbts, watch this space.



Four plants for Easter

GARDENS TODAY

BY ROBIN LANE FOX

FOUR favourite plants bave heen at their best over Easter and as I see them too seldom in other gardens, I would like to do them justice hy giving them a week to themselves.

They will fit into any garden and will not be too difficult, with one exception. At their best in March and April, they bave the stage to themselves and are are making tbe moot of it.

The first is not the most spectacular hut it is my personal favourite among evergreen shruho. I would use it hefore any conifer except yew if I wented a aix foot-high hedge and was not in too much of a hurry. I refer to the tough and obliging osmarea. Some four yeara ago, I planted some young plants of thie in a north-facing bed where an avergreen feature was needed against the wall of the bouse.

In 1976, they were a foot high hut they have grown apace in a heavy patch of earth and are now three foot high and very well hranched. This may give you some idea of their spread and season. Their thin leaves are a dark holly-green, slightly shiny and leathery to the touch. In April, they are covered in small tubular whita flowera, which form in the joint of the leaf and the stem and are sweetly scented when the wind io blowing in the right direction.

My plants would he even taller if I had not pruned them every year just after they had flowered, hut I am sure that this treatment ia importent in the long run.

The osmareo tends to throw up strong branches a foot or so ahove its main mound of leaves, and might persuade impatient gardeners into allowing these to shoot too far ahead. Older plants them hecnme thin or poorly covered at their hase, like one old osmarea in my care, which has been allowed tn grow as it pleases in a long horder and has all its charm hy turning into a hadly-formed standard ahruh with one long trunk. Brace yourself to trim hack any promising young ehoto in early May when the white flowers have faded.

If you space your osmareas about 16 ins apart, you can expect a dense hedge nf evergreen leaves to a height nf five or six ft after six or seven years. In order to enjoy the flowers you should allow this hedge to grow allghtly informally. If you clipped it too rigidly in autumn and spring yon would remove the firm hranches on which the crops of huds are set for the apring season.

A loose hedge of osmarea will thrive anywhere, though few gardeners will hother with it. It grows qupickly and happily in the mild climate of West Country gardens, among camellias, hut it also makes good progress on a shallow chalk soil.

I have only found one small prohlem which no catalogue mentions. Last year the cold winter left its mark on leaves and inhibited the flowers.

My plants could hardly he in a colder ploce, facing due notrh across an open view for several milea. If I was starting again, I wold move them to a less exposed place to give the flowers their best chance in sharp winters. They are completely hardy but it is otill warth placing them so that they give of their hest. I have never seen them better suited than round the sides and hack of a wooden seat where they made an evergreen setting abont fiva ft high and flowered deliciously, tempting anyone to sit aut an April shower among them.

These white flowers, however, are not tha match for a few new clumps nf tulips which I hava been trying this year. They are new to me, et least, because I have not cared for their descriptions in catalogues. Ynu probahly know the plain water lily tulip called Kaufmanniana whose cream yellow flowers are marked with rose-pink and show up clearly in mid-March. They have been developed however, into colours which you would never find in these ordinary varieties.

I had always thought that the plaim cream water lily tulip stood particularly well among the easy blue flowered Chionodoxa, which can be planted arnund its clumps. The two colours comhine very prettily. But I now find that they are excelled by named varieties in the Kaufmanniana family of which a few bulbs are bright enough to light up a garden. I would never have bothered with one called Shakespeare from its textbook description as a "blend nf salmon, apricot and orange flushed red," nr with Fritz Kreisler, a "deep pink and yellow with carmine red blotches and a mauve exterior edged with sulpbur."

Although I thought that they would give me something to criticise, they have turned out to be the prettiest spring flowers in the garden grouped in clumps of ten on the edge of a small bank beside a rosebed. They are less than a foot tall; so you could put them comfortably into next year's office window box. They are not particularly cheap but you only need to buy a few as their colours are so clear.

Again there are no problems but be sure to plant the bulbs in full aunlight, especially if yon are trying them in a window box. The flowers open out when the sun strikes them and show their full barmony of colour. Watcb out for them in good bulb lists next autumn.

The flowering quince, known commonly as japonica, is well known to almost everyhody, and this year its peak season bas fallen at the Easter holidays. I hope you know the advantages of these lovely shrubs, their toughness, their freedom of flower and their willingness to be trained into shape against a wall, whatever its aspect. Some of you may not know that you should prune them as soon as they have flowered if you want tham to keep their shape.

The flowers form on next summer'a growth so you must not start cutting it hack in autumn, when you think the shrub is losing its shape. Attack it early in May, instead.

This week, bowaver, I only want to say that that a pink and white form called Moerloosii seems to ma to be excellent. Its flowers are profuse, like an early apple blossom, which is npset hy no wind or hullfinch. Against a north wall this japonica can be trained up to 8 ft, into the formal patterns of a trua fruit tree.

The flowar's combination of pink and wbita is particularly fresh, a mixture which appealed to the judges nf these matters who gave this variety a valuable Award of Garden Merit 10 years ago.

Up the back of e shaded houae, I would settle for a well-trained plant of this German bybrid. On a sunnier side, I would place any of the crimson-flowered byhrids, perbaps the large-flowered Rowallane. It ia a shame to put these dark reds in a shaded north or eaat aspect, where tha sun does not bring out the full depth and richness of their flowers. Tbose wbn do not rate them highly have never seen them properly placed. The pink and white variety is far hetter suited to an awkward east aspect.

The last of my four for Easter earns its place for something different, its willingness to flower freely, and hold its flowers since mid-February. This is tha plain mauve-pink form of Daphne Mezereumis, an old and long-lnved plant. Tha white form, however, is less familiar, but I now bave two young plants of it whicb have grown from cuttings, and I am pleased with tbe wreaths of flowers which run all up their branches after only four years.

They are 18 ins high and will go higher, bnt I think they are worth a special place in any front garden, better even than the usual form whose pink flowers are a match for tha enlours of common heather.

There is no special trick about this infamous Daphne. Either it grows easily from the start or else it refuses anything which I can dream of advising. I have never seen better plants than on a heavy and chalky soil in full sunshine, so they are worth trying if you have to cope with such unfortnnate soil.

Their scent is aa good as any in the family and tha flowers are abnndant, followed by polsonous berries which are a pale yellow-amber in the white-flowered form.

Beware of these berries if yon have young children. Unlike my other threa plants this Easter, the hehaviour of this ona cannot be guaranteed. Sometimes it fades out, sometimes It flourisbes, but this white form especially is well worth a try, for anyhndy's time and money.

It looks like Uncle Bing again

RACING

BY DOMINIC WIGAN

THERE ARE few hetter 2½-mile chasers in training than Uncle Bing, and there seems every chance thot Richard Head's 11-year-old will again undarline the point at Cheltenbam today.

Uncle Bing, so often denied the llmelight hy the reputation and exploits of his eye-catching stable companion, Border Incident, returned to a deservedly warm reception after scoring at Aintree last time out.

Although more testing ground this afternoon would probably belp Uncle Bing's cause, he acts on any going, and the conditions will not inconvenience him. I take John Francombe'a mount to give his younger opponents, who include Roadhead and Dramatist, a lesson in fest accurate jumping.

Thirty-five minutes after the Sean Graham Chase, Belfast's leading bookmakers cootribute £7,000 to the £10,000 added prize money for the Sean Graham Hurdle, a 2-mile limited handicap in which 10 st 7 lb is the minimum weight. Here, it is difficult to lmagine Gay George failing to make a bold bid for his hat-trick.

The easy conqueror of Brimps in a division of Kempton's St. James's Noviceo Hurdle on February 23, Gay George was nearly as impressive at Sandown last month. There, the Saxon House four-year-old put three lengths between himself and Cruise Missile, to whom be was conceding 10 lbs, on the run-in to the Select Hurdle.

Although Navigational Aid was impressive on his reappeerance, I am hopeful that Mr. Robert Sangster's Dancer's Image filly, Last Request, can lift Ripon's feature event, the Studley Royal Handicap.

CHELTENHAM

2.00—Deht Collector*
2.30—Patzruler
3.05—Uncle Bing
3.40—Gay George
4.15—Go Perrey's
4.45—Stoic Yarn**

RIPON

2.45—Fast Colonr
3.15—Inca Warrinr
3.45—Last Reqnest***
4.15—Lucky Tonight
4.45—Holdall
5.15—Lendin

TV Radio

† Indicates programme in hlack and white.

BBC 1

6.40-7.55 am Open University (UHF ooly). 9.55 Ludwig. 10.00 Jackanory. 10.15 Asterix the Gaul. 10.35 Why Don't You? 12.45 pm Midday News. 1.00 Pehhle Mill at One. 1.45 Heads and Tails. 2.15 Racing from Cheltenham. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 The Space Sentinels. 4.40 Wildtrack. 5.05 John Craveo's Newsround. 5.15 Potter's Picture Palace.

5.40 Evening News.
5.55 Nationwide (London and South East).
6.20 Nationwide.
6.55 Film: "With This Ring," starring Tom Bosley.
8.30 Potter.
9.00 Nine O'clock News.
9.25 The Risk Business: British film industry.
10.00 Sportsnight: European Football.
10.50 Michael Parkinson Meets Bette Midler.
11.45 News Headlines, Weather.

All Regional programmes as BBC1 except as follows:—

Cymru/Wales — 5.55-6.20 pm Wales Today. 6.55-7.25 Heddiw. 7.25-7.30 Tom and Jerry. 7.30-8.00 A Question of Sport. 8.00-8.30 My Wife Next Door. 8.30-9.00 Potter. 11.45 News and Weather for Wales.

Scotland — 12.40-12.45 pm Scottisb News. 5.55-6.20 Reporting Scotland. 10.50-11.20 Is Anybody There? 11.20-12.15 am Michael Parkinson Meets Bette Midler. 12.15 am News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Aronnd Six. 11.45 pm News and Weather for Northern Ireland.

England — 5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingbam); Nationwide (London and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

6.40-7.55 am Open University. 10.20 Gharbar. 11.00 Play School. 11.25 Cloeedown. 4.50 pm Open University.

6.55 Chess Final: Lothar Schmid v. Walter Browne.
7.25 Mid-Evening News.
7.35 Chronicle: Rescued from the Nile.
8.25 Arena: Double Vision.
9.00 Celebration of Sean O'Casey: "The Silver Tassie."
10.55 Newsnight.
11.30 Closedown: "A Love Story" by Robert Graves.

LONDON

9.30 am Australian Lizards. 9.50 Who's Afraid of Opera? 10.15 Conquest o fthe Sea: Film about the Leeward Hawaiian Islands. 11.05 Yonng Ramsey. 11.55 The Bubblies. 12.00 Cloppa Castle. 12.10 pm Rainbow. 12.30 Camera. 1.00 News at One. 1.20 Thames News. 1.30 Take the High Road. 2.00 After Noon Pluo. 2.45 The Outsiders. 3.45 Square One. 4.15 Michael Bentine's Potty Time. 4.45 Noah's Castle. 5.15 Struck by Lightning.

5.45 News.
6.00 Thames News.
6.25 Help.
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 Death of a Princess: Arabs stage public executions.
10.00 News at Ten.
10.30 Quincy.
11.30 Wheels: Reports on new cars and motorcycles.
12.00 Barney Miller: Hal Linden in "Blizzard."
12.25 am Close: Personal choice with Evelyo Laye.

All IBA regions as London except at the following times:—

ANGLIA

9.25 am Child Life in Other Lands. 9.50 Chooper Squad. 10.40 Tatty. 11.05 Praise the Dog for Sitting. 1.25 pm Anglia News. 2.45 Housoparty. 3.15 Doctor Down Under. 5.15 Barney Miller. 6.00 About Anglia. 10.30 Fantasy Island. 12.00 am Police Surgeon. 12.30 The Big Question.

ATV

9.40 am Bailey's Bird. 10.05 Afloat. 10.30 Sandokan. 10.55 The Wild, Wild World of Animals. 11.20 Wild Boy. 1.20 pm ATV Newsdesk. 2.45 Fantasy Island. 5.15 Selwyn. 6.00 ATV Today. 10.30 ATV Newsdesk. 10.35 The Wrath of God with Robert Mitchum and Rita Hayworth.

BORDER

9.35 am A French Mistress. 11.10 Praise the Dog for Sitting. 1.20 pm Border News. 2.45 Houseparty. 3.15 How's Your Father? 5.15 Happy Days. 6.00 Lookaround Wednesday. 10.00 News and Border Weather. 10.30 Fantasy Island. 12.00 am Police Surgeon. 12.30 Border News Summary.

CHANNEL

1.20 pm Channel News. What's On Where and Weather. 2.45 Fantasy Island. 5.12 Puffin's Birthday Greetings. 5.15 Makin' It. 6.00 Report at Six. 10.28 Channel Late News. 10.35 Feature Film: Salt and Pepper. 12.25 am News and Weather in French followed by Epilogue.

GRAMPIAN

9.25 am First Thing. 9.30 Thunderbirds. 10.20 Ride to a Spanish Virgin. 11.00 Praise the Dog for Sitting. 1.20 pm North News. 2.45 Fantasy Island. 5.15 Happy Days. 5.40 Police News. 6.00 North Tonight and Area Weather Forecast. 10.30 Motorway. 12.00 am Reflections. 12.05 Barney Miller. 12.30 North Headlines.

GRANADA

9.30 am Sesame Street. †10.30 Wednesday Matinee. 11.50 The Bubbles. 1.20 pm Granada Reports. 2.00 Live from Two. 2.50 Family. 5.15 Mork and Mindy. 6.00 Granada Reports. 6.30 This Is Your Right. 10.30 Hawaii Five-O. 11.55 The Odd Couple.

HTV

9.30 am Kum-Kum. †9.55 Lasdele Hall. 11.00 Praise the Dog for Sitting. 1.20 pm Report West Headlines. 5.15 Dick Tracy. 5.20 Crossroads. 6.00 Report West. 6.30 Youth Makes Music. 10.00 News followed by Report West Headlines. 10.35 Police Story.

HTV Cymru/Wales—As HTV West/HTV General Service except:— 11.55 am Ffalabalam. 1.20 pm Panawdau Newyddion Y Dydd. 1.25 Report Wales Headlines. 4.45-5.15 Nî a Nhw. 6.00-6.15 Y Dydd. 6.15-6.30 Report Wales. 6.30-7.00 Brave Old World. 10.00-10.35 News at Ten (followed by Report Wales Headlines.

SCOTTISH

9.30 am Salmon Running. Baer Cunning. 9.50 Feature Film: Red River. 1.20 pm News and Road and Weather. 1.30 Leave it to Charlie. 2.46 Power Without Glory. 5.15 Cartoon. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Emmerdale Farm. 10.00 News and Scottish News. 10.30 Late Call: Rev. John Cameron. 10.35 Feature Film: The Fox.

SOUTHERN

9.30 am Clue Club. 9.55 Rolf Harris Show. 10.20 The Lionel Hudson Documentary. 1.20 pm Southern News. 2.45 Houseparty. 3.15 The Entertainers. 6.15 Dick Tracy Cartoon. 5.20 Crossroads. 6.00 Day by Day. 6.35 Scene Midweek. 10.30 Southern News Extra. 10.35 The Big Bounce. 12.25 am Weather followed by Religion in Communist countries.

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. †9.30 Morning Movie: "Edward My Son." 11.00 Praise the Dog for Sitting. 1.00 pm North East News and Where the Jobs Are. 2.45 Andy. 3.15 In Search of . . . Mortions. 5.15 Bailey's Bird. 6.00 North East News Headlines. 6.02 Crossroads. 6.25 Northern Life. 10.30 North East News. 10.35 Kaz. 11.35 Power Without Glory. 12.35 am Epilogue.

ULSTER

10.10 am Fireside Theatre. 11.00 Praise the Dog for Sitting. 1.20 pm Lunchtime. 2.45 Survival Special. 4.13 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 10.29 Ulster Weather. 10.30 Musical Special. 12.00 am Bedtime.

WESTWARD

9.25 am Cartoontime. †9.35 Feature Film: The Wrong Arm of the Law, starring Peter Sellers. 11.05 Praise the Dog for Sitting. 1.20 pm Westward News Headlines. 2.45 Fantasy Island. 5.12 Gus Honeybun's Birthdays. 5.15 Makin' It. 6.00 Westward Diary. 10.32 Westward Late News. 10.36 Feature Film: Salt and Pepper. 12.25 am Faith to Life. 12.30 West Country Weather Forecast.

RADIO 1

(S) Stereophonic broadcast
‡Medium wave

5.00 am As Radio 2. 7.00 Steve Wright. 9.00 Simon Bates. 11.31 Peter Powell including 12.30 pm Newsbeat. 2.00 Andy Peebles. 4.31 Kid Jensen including 5.30 Newsbeat. 7.00 Radio 1 Mailbag. 8.00 Mike Read. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

VHF Radios 1 and 2. 5.00 am With Radio 2. 2.02 pm Listen to the Band (S). 6.45 Alan Dell with The Dance Band Days. 9.15 Among Your Souvenirs (S). 9.55 With Radio 2. 10.00 With Radio 1. 12.00-5.00 am With Radio 2.

RADIO 2

5.00 am News. 5.03 Ray Moore (S) including 5.15 Pause for Thought. 7.32 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 10.03 Jimmy Young (S). 12.03 pm David Hamilton (S) including 1.45 Sports Desk. 2.03 Ed Stewart's Request Show (S) including 2.45, 3.45 Sports Desk. Racing from Cheltenham. 4.03 Much More Music (S) including Racing from Cheltenham. 4.45 Sports Desk. 5.00 News. 5.05 Waggoners' Walk. 5.20 Much More Music (S) including 5.45 Sports Desk. 6.03 John Dunn (S) including 6.45 Sports Desk. 8.02 European Soccer Special: European Cup Winners. 9.30 Among Your Souvenirs (S) (joins vhf). 9.55 Sports Desk. 10.02 Punch Line. 10.30 Hubert Gregg says Thanks for the Memory. 11.02 Brian Matthew with Round Midnight, including 12.00 Midnight Newsroom. 2.02-5.00 am You and the Night and the Music (S) with Bill Rennells.

RADIO 3

†6.55 am Weather. 7.00 News. 7.05 Your Midweek Choice (S), Record requests (part 1): Auber, Chopin, Fauré, Box, Liszt, Gorshwin. 8.00 News. 8.05 Your Midweek Choice (S) (part 2): Lange-Müller, Dvorak (mono), Saint-Saens. 9.00 News. 9.05 This Week's Composer: Bach (S). 10.00 Haydn's Last Two Complete Quartets (S). 10.55 Music For Organ (S) by Buxtehude, Couperin, Messiaen, Dickinson. 11.30 Vega Wind Quintet (S): Damase, Telemann, Bozza. 12.05 pm Chavez, Copland and Ginastera (S). 1.00 News. 1.05 Claude Helffer (S) Piano recital: Beethoven, Berg, Schumann. 2.00 Music Weekly (S). 2.50 Fifty Years of British Music (S) Concert: Forbes, Josephs, Graco Williams. 4.10 Schumann, Brahms and Schubert (S) Song Recital. 4.55 News. †5.00 Mainly for Pleasure (S) with Roger Nichols. 7.00 Music Now. Who was Delkelbarger? 7.45 Mendelssohn's Elijah (S) (part 1). 8.55 Six Continents. 9.15 Elijah (S) (part 2). 10.30 Doctor Fischer of Geneva. 10.55 Schoenberg's Second String Quartet (S). 11.30 The English Ayre (S). 11.55-12.00 am News.

VHF only—6.00-7.00 am and 6.20-7.00 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30 8.30 News headlines. 7.45 Thought for the Day. 8.45 Double Bill. 9.00 News. 9.05 Mid-Week with Sylvia Syms. 10.00 News. 10.05 Gardeners' Question Time. 10.30 Daily Service. 10.45 Story Time: The Children of Oynmouth. 11.00 News. 11.05 Baker's Dozen (S). 12.00 pm News. 12.02 You and Yours. 12.27 Just a Minute (S). 12.55 Weather. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Afternoon Theatre (S): "Jonathan's Big" by Hadrian Rogers. 4.00 Choral Evensong (S) from St. Paul's Cathedral, London. 4.45 Short Story: "It's Called Life." 5.00 PM. 5.50 Shipping forecast. 5.55 Weather. 6.00 The Six O'clock News. 6.30 My Music (S). 7.00 News. 7.05 The Archers. 7.20 Fat Man on a Bicycle (S). 7.45 Icarus: The story of Ruth Draper. 8.45 File on 4. 9.30 Kaleidoscope. 10.00 The World Tonight. 10.30 The Life and Times of the Orchestra (S). 11.00 A Book at Bedtime: "That Uncertain Feeling." 11.15 The Financial World Tonight. 11.30 Unforgettables: Sequence of music. 12.00 am News and Weather. 12.15-12.23 Shipping forecast.

VHF—11.00 pm Study on 4. Get by in Spanish. 11.30 Open University.

London Broadcasting

5.00 am As Radio 2. 5.30 Rush Hour. 10.03 The Robert Vincent Telephone Programme. 1.03 pm London Live. 3.03 John Toogood's Showcase. 4.30 London News Desk. 6.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Join Radio 2.

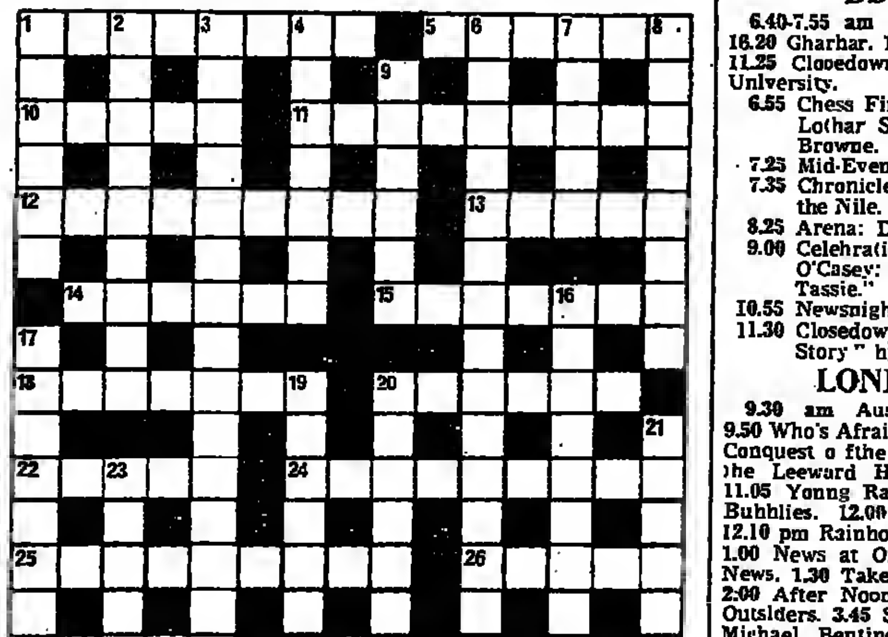
BBC Radio London

6.00 am AM with Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm John Perkins in LBC Reports. 8.00 Jazz After Eight. Keith Howell presents music and interviews Jimmy Forrest. 9.00 Mike Dickin and Charlie Drake present Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

5.00 am Breakfast Show with Graham Dene (S). 9.00 Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,245



ACROSS

1 Advertising agent found mooning about! (6)
5 Strike gatting round? Splandid! (6)
10 High flyer given piece hetween two steps up (5)
11 Quality earning a West-end mark of respect (9)
12 Celebration hy West on the whole that keeps neighhours apart (5, 4)
13 Beheading hoss is a hloomer (5)
14 Article king allowed on nrnament (6)
15 Unexpected acquisition makes gallery close (7)
18 Cancel correction hy hoy to hat (7)
20 Harp so oddly on wonderful lighthouse (6)
22 Pale like a layer (5)
24 Stop hroadcasting near part of Ireland (5, 4)
25 One thouoand newspapers, for example, note without delay (9)
26 The cream of the Spanish tie-break (5)
27 Spoil another try hy sufferer in cause (6)
28 One like thia overdue daughter is cut off (6)

DOWN

1 Band a soldier may bave np his sleeve (6)
2 Guarantee some sort of policy (9)
3 No occasion for afternoon ahopping (5, 7, 3)
4 A harrier worker finds nnhanding (7)
6 I'm nnt stopping a salutation (4, 3, 8)
7 Nohle number (5)
8 Revnke completed hus trip (8)
9 Way an old prisoner went to prison camp (6)
16 Financial expert joining eastern company with French name is German (9)
17 Religion 1 criticioa severely over doctrine (8)
19 Trance produced by heavenly drink (6)
20 Walk demonstrating manufacturing operation (7)
21 During action certainly (6)
23 Classic writer fond of the fireside (5)

Solution to Puzzle No. 4,244

هكذا من الأصل

THE ARTS

Cort Theatre, Broadway

Clothes for a Summer Hotel

An insane asylum entrance, posed against a dramatic sky like a dynastic ruin in an Edgar Allan Poe story, dominates Tennessee Williams' liberal interpretation of the last meeting between Scott and Zelda Fitzgerald.

Oliver Smith's set takes on such importance because it broods over the difficult visit in which Scott arrives thinking Zelda has got better, only to find her obsessed, as ever, with her past. She sees Scott's claustrophobic love as the inspiration and inhibition to her unrealized dreams to be a successful writer and dancer. Like the set, she is a noble ruin, capable of passion, drama and especially dark foreboding, but these are achieved only as monetary echoes of a distant past.

In brief snatches, the play seems justified in focussing on Zelda rather than Scott. One flashback shows Zelda dancing furiously in the Paris class of Mme Egorova, trying to make up for starting a career so late. She knows her weaknesses and seems determined to overcome them.

The friends who come to watch her dance cry in sympathy with her indominitable determination—and inevitable failure. At other moments, she has brief glimpses of what she lost when she lost Scott and even remarks that Scott is better off with the steadier influence of the gossip columnist with whom he now lives in Hollywood.

But for the most part, the attention is wasted on Zelda because she acts merely to provoke or react in some way to Scott. A short flashback in which Scott wants Zelda to leave him alone to work produces a sequence of scenes depicting Zelda's affair with a handsome young French aviator.

She admits from the outset that she needs a combination of revenge and baby-sitter to fill the time that Scott denies her with his insistence on a disciplined schedule. The affair, which starts on a beach in the first act and continues in bed and at a party in the second, can never reach a telling climax when its doom is so obvious to the audience, if not to the now-infatuated Zelda.

Faced with Zelda's terminal case of delusion and resentment, Scott staggers round the stage ill or inebriated. Though by the time he visits Zelda he is on the wagon, he manages to spend a good bit of time drunk throughout the flashbacks.

The party scene in which Zelda turns up with her French flyer ends up with Scott facing off against Ernest Hemingway. Tennessee Williams deftly turns the writers' drunken antagonism into a conflict over their values. Scott seems almost too punchdrunk by then to stand up to Hemingway's manly virtue with his own brave efforts to handle Zelda and fight his way back from mental breakdown.

Director Jose Quintero roots the play in the asylum setting despite the numerous flashbacks. This strategy rivets the play to its concluding episode rather than drawing out the past tenderness that would give some tragic perspective.

Geraldine Page plays all the strings of madness, from lucidity to raving, but she has no chance to show the tenderness, vulnerability or love that might have made us pity Zelda. Kenneth Haigh gives Scott an earnest youthfulness that removes the sting from Zelda's accusations, making him much more sympathetic than we ought to feel up at the insane asylum where he's put his apathetic ex-wife.

FRANK LIPSIUS

Kenneth Haigh and Geraldine Page in Clothes for a Summer Hotel

ICA

Goeyvaerts and Stockhausen

by RICHARD JOSEPH

Adrian Jack's stimulating MusICA season concluded on Sunday evening with a timely review of one of the most important moments in post-war European music.

This was the recovery of serial techniques as developed by Webern before the Second World War and their development and expansion into all elements of composition.

Messiaen (as teacher), and Stockhausen and Boulez (as practitioners) are the figures usually associated with this concept of total serialisation; but the composer who developed the idea and the process through to its first realisation was the Belgian Karel Goeyvaerts.

His Sonata for Two Pianos, the first totally serial composition, was written in the winter of 1950-51 and was heard and discussed in Adorno's composition seminar at the Darmstadt Summer School later that year.

In the autumn, Stockhausen, who had performed the second movement of Goeyvaert's Sonata with the composer, wrote *Kreuzspiel*, his first totally serial work. The method that determined most of the finest music composed in Europe during the 1950s was established.

Both these influential works received good performances by the Koenig Ensemble at the ICA, and the concert was prefaced by an illuminating talk by Goeyvaerts. As well as reviewing the methodology of his early works, he examined the emotional as well as historical necessity for their creation.

The compositional rigour of the early 1950s was, to Goeyvaerts, the result of a "fear of chaos"; composers had to construct "an undestroyable shelter" of certainty after the upheavals of the war.

In 1957, when he realised this motivation, Goeyvaerts withdrew from composition for a time. His subsequent music is more freely worked, though unfortunately only a short, deliberately charming Trio for flute, violin and piano dating from 1960 was included in the concert.

Goeyvaerts's description of his current musical style, as continuous, slowly evolving, carefully controlled and not superficially exciting or surprising, could equally be applied to the pointillist Sonata for Two Pianos.

Despite its autonomist construction, the lucidity of the composer's personality was apparent. Less so in the other work from 1951, "Opus 3 with struck and bowed sounds" which serialised the means of sound production (dividing tones between long bowed strings and short percussion attacks) in a way that negated the individual character of each instrument and made things particularly hard on the strings. An uncomfortable, slightly pedantic performance did little to alleviate the problem.

By contrast, the colour and instrumental felicity of Stockhausen's *Kreuzspiel* was immediately apparent. So too, was the composer's choice of rhythmic values and patterns which, however strictly deployed, allowed for a greater continuity of musical texture.

For Goeyvaerts the absolute expression of his idea was to be the end in itself; the thought exists equally validly on paper or as sound.

With Stockhausen the sonorous expression of the idea is paramount. This contrast between the composers would also have applied to Stockhausen's *Schlagtrio* (a 1973 revision of a 1952 percussion Quartet) which concluded the concert, but a too loud performance in too cramped conditions excluded most musical considerations.

The Jam

Rainbow

The Jam

IT IS entirely appropriate that the Astoria at Finsbury Park, built 50 years ago in the golden age of the movie palace in the style of a caliph's castle, with fountains and gold fish in the foyer and twinkling stars above a Moorish village in the auditorium, should celebrate its golden jubilee with a series of pop concerts. For popular music has taken over from Hollywood as the people's dream and the ornate architecture of the re-named Rainbow provides the perfect escapist atmosphere to watch contemporary stars play out their, and the audiences', fantasies.

And also in tune with the times is the fact that the series of concerts that ended last night should be sponsored by Levi jeans for even the pop industry, these days cannot afford to reject the helping cheque-laden band of business. For Levi's the venture climaxed on the right note with the headline act, The Jam, currently topping the hit parade.

Three years or so ago when the Jam were among the first breakers of the new wave they were promoted as the modern Who. They draped themselves in the Union Jack, wore smart suits, and became the band of the mods, those dapper enemies of the punks and rockers. Success has broadened the appeal of the Jam and they played on Monday like any super band with a brilliant light show and a great deal of style. The roughness is still there in the down market accents, remarkably raw for a trio that comes from Woking, and in the lyrics of their songs which are very much in the "kids rise up, you have nothing to lose but your chains" tradition.

The energy works, as do the battle cries which are as good as any by the Clash, their only rivals among the new wave. The Jam are skilled at producing refrains, and the audience was keen and able to take some of the strain from singer Paul Weller's fading voice in songs like "Down the tube station at midnight" and "Eton rifles." But after a while the explosions of negative noise were self-defeating without any great melody lines.

ANTONY THORNCROFT

Television

Investigating in blinkers

by CHRIS DUNKLEY

Do you believe that the management side of the chemical industry is peopled by an extraordinary collection of blackguards? Or that the ethical drugs business is full of profit scoundrels? Or that those in favour of the peaceful exploitation of nuclear power are a bunch of unprincipled maniacs? If so, perhaps you have been watching too much television.

Throughout its short history television has found investigative journalism one of the hardest arts to master or to adapt. Consequently there has been very little of it.

For long periods Granada's *World in Action* carried a lonely banner, being joined from time to time by BBC1's *Panorama* and BBC2's *Man Alive* and by the venerable series *This Week* which Thames have foolishly renamed *TV Eye*.

However, in recent months there appears to have been a distinct increase in this sort of journalism on television. Not only have all the series named been doing as much as ever and probably more, but in addition BBC1's new series *Open Secret* has been devoted specifically to it and the two London region ITV series *Thames Report* and *The London Programme* also seem to have been increasing the proportions within their output.

In principle I welcome this upsurge of revelatory reporting which in its evident intention appeals not only to my own instincts as a former news reporter but also to the desire of any alert person to know as much as possible about the society he lives in. The practice, however, is highly questionable and may be taking television down the wrong road.

The kind of programme I am thinking of cannot be described in one phrase, but anyone who watches regularly will know precisely the sort of thing I mean. It is characterised first by a high moral tone. Nobody actually shrieks: "We Name The Guilty Men!" but there is frequently a powerful feeling of such a claim inherent in the approach and implicit in the commentary.

Often the programme is presented by a reporter who seems to see himself as Robin Hood, Theo Kojak and Ralph Nader rolled into one. More often than not the story is about the way that the big business battalions not only exploit the labour of the individual worker but also endanger, shorten or degrade his life, or the lives of others who live around the factory or work place.

In the last few weeks programmes fitting into this pattern have been presented by *Open Secret* (manufacture of the pesticide DBCP, and lead levels in an American Cynanamid plant), *Thames Report* (chemical storage in inner city factories — also covered by *Open Secret*), *Horizon* (the dangers of Dioxin) and *The London Programme* (transport of nuclear waste).

Very similar sorts of programme though with minor variations in pattern have been broadcast by *Panorama* (the effects of Proposition 13 in California) and *TV Eye* (over-prescription of tranquilisers).

The reason for the existence of such programmes is not difficult to find, of course: despite grandiose claims about free speech and open government there is a frightening amount of secrecy, official and unofficial, in Britain, particularly within statebureaucracies. It would be odd and contemptible if television's current affairs group did not investigate.

Indeed, if most viewers had any real idea of the way that bodies intended for the citizen's protection, such as the Factory Inspectorate and the Alkali Inspectorate actually operate, there would doubtless be a clamour for many more investigative programmes.

(In that connection it is to be hoped that the amendment to the Government's Broadcasting Bill, now in committee, changing the protection of privacy to the protection of "privacy of *individuals*" gets through.)

The reason for the style of the programmes is not hard to understand, either. Like everything else on television, but in contrast to the printed news media which do not have the time dimension as a constraint, these programmes have to fight from start to finish to stop the viewer switching over to watch *Dallas* or — as the BBC is steadily out-priced in all the intelligent sports — a couple of fat men drinking and playing darts. (Thank you *Not The 9 O'Clock News* and welcome back.)

That is just one of the pressures which result in investigative programmes almost invariably turning into witch hunts. Another is television's weakness at handling abstractions which leads to the practice of expressing all problems in terms of individuals or at least identifiable groups.

A third is the dreadful practice of compartmentalisation which dictates that any subject under the sun—from the existence of God to the medical effects of inhaling asbestos—must be dealt with in isolation and in 30 minutes or 40 or at most 60, whichever the series happens to be limited to.

I believe the desperate desire for a villain goes far towards explaining television's failure to deal with the one cause of accidental death and maiming which makes all the others put together—pesticides, drugs, industrial accidents, the lot—look piffling. If anything except the motor car was at the centre of literally hundreds of accidents every day, some 20 of them fatal, then television would never let us hear the last of it.

Because the enthusiasm for using the car is so nearly universal, and because it is the way that the public uses cars and not some intrinsic quality within the product which is dangerous, television quietly leaves Big C alone. It would take real guts to set up the public—the viewer—as villain.

In other areas programme makers will go to almost incredible lengths to find a Mr. Bad to blame. The often admirable Tom Mangold, for instance, faced with the inescapable fact that California's Proposition 13, cutting local taxes, was voted in by a secret ballot of the electorate, "blamed" the Proposition's main proponent Harold Jarvis who is now campaigning for another cut.

"In effect," Mangold claimed, Jarvis will "dictate" legislation which is either a plain untruth or just a way of saying that the voters are a lot of sheep—which is little more than a pejorative synonym for democracy and hardly Mangold's style.

To discover the effects of Proposition 13, which of course cut local government budgets, Mangold talked to local government employees who—surprise surprise—were all against it and who seemed to be ensuring as far as they could that the cuts rebounded against the voters.

At no stage did we hear the views of the people who actually voted the law in. Instead Mangold interviewed the man who runs Jarvis's campaign to show the wickedness of his envelope addressing techniques.

None of which should come as a great surprise to any regular viewer. Mangold is not allowed to get on the box and declare "The way these well-heeled Californian property owners have behaved pains my particular sense of social justice" and so he finds a way of implying it without actually saying it. In other words he makes an unbalanced, subjective programme which, however, has as its passport onto the air a very clear social conscience.

The crucial point is that such programmes not only offend against the "balance" rules of British television since nobody ever shows the other point of view but, further, they do not even necessarily serve the best interests of the viewer-worker-ordinary joe to whom they try to appeal.

A programme which makes lurid claims about unlikely nuclear accidents is less than honest and less than helpful if it fails even to mention alternative methods of energy production and never gets round to admitting that coal production is hundreds of times more dangerous than nuclear power production.

The public interest is not best served by such selective journalism, no matter how intense the social sensibilities of its producers.

The same is true all down the line when the countervailing benefits of social evils are ignored (the employment offered by inner city factories, the increased food production owing to pesticides and so on) or, conversely, the high social cost of some trumpeted advance is ignored (the Budget cuts affecting thousands as a result of one heart transplant, for instance).

Instead of setting themselves up as inquisitors determined to find witches or saints it is time that television's investigative programmes adopted the far more demanding rôle of social auditors: looking at the good as well as the bad effects stemming from the activity under inspection and offering the public a balance-sheet instead of a burning. Less exciting, of course—but honest.

Purcell Room

The Lontano Ensemble

The young Lontano ensemble, directed by Odaline de la Martinez, boasts an extremely accomplished membership. All eight of the players who figured in Saturday's concert revealed powers well beyond ordinary professional proficiency, in a consistently demanding programme. In first-class accounts of Ravel's long-neglected Sonata for violin and cello and of Debussy's late Trio, for example, the cellist Andrew Shulman offered finesse and lithe strength in equal proportions (relatively famous performers made far less of the Ravel in the last South Bank Summer Music) and Frances Kelly invested Debussy's harp part with a variety of subtle colours that I have not heard surpassed in the piece, staple harp fare though it is. The concert was over-generous, but with such playing one couldn't mind.

We had also Harrison Birtwhistle's *Entr'actes and Sappho Fragments*, a 1964 work in his earlier, bitter manner, welcome back as—at least—an audible point from which to take a perspective on his tougher more recent music. It was perhaps unfair to the sequence to present it at the end of this particular programme, which had already examined the sound-possibilities of the instrumental combination rather thoroughly; the brevity of the 17 fragments deserves a more contrasted context. The assured soprano soloist was Rosemary Hardy, who also sang Falla's late, beautifully cultivated cantata *Psyché* with lovely poise.

The latent threat of exquisite surfeit was nicely averted by Erika Fox's new *Paths where the mourners tread*, chockablock with lively materials and expanding repeatedly toward a near-orchestral sonority. There is a disorderly immediacy about the score. The atmosphere and intensity of Jewish communal chant is echoed and refracted in an unexpected medium essentially the Lontano sound with violent percussion extensions; the pressure of unassimilated feeling is palpable. At more than 20 minutes it is certainly under-organised, but not under-composed. Miss Fox has her own quite particular voice (and pressing manner); I mean no criticism by reporting that it nags, hectors, worries and exults in her writing with disarming directness. Here as elsewhere, Ingrid Culliford's flute was buskily evocative.

DAVID MURRAY

Post Impressionism

The Post Impressionism exhibition at the Royal Academy closed yesterday after a highly successful 19 week run.

The exhibition, which has received national and international acclaim, had a total of 640,042 visitors, of which more than half a million were paid admissions. The average daily attendance throughout the exhibition was 4,849.

The exhibition catalogue, published in association with Wiedenfeld and Nicolson, ran into a third edition and 96,500 catalogues were sold to a record percentage of visitors—16 per cent of the total. The catalogue sold at £5.25 with a hardback edition at £12.50. The gallery guide, available for 15p was sold to 125,000 of the visitors.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871, 883897
Telephone: 01-248 8000
Wednesday April 9 1980

Playing the waiting game

ONE WAY of looking at the conflict between the U.S. and Iran ever since the taking of the American hostages last November is as a dispute between a great power and a small. On either side, there is a great deal of frustration. The U.S. is militarily, economically, and diplomatically very powerful, but it has found no way of using its power to secure the desired objective: namely, the hostages' release. Equally, however, Iran under the Ayatollah Khomeini has made no progress in achieving its own aim which—to put it at its most basic—is the handing over of the Shah for trial. In the contest between great power and small, and on the particular issue of the hostages, there is a stand-off.

Diplomacy

It is therefore worth looking at the conflict from a different perspective. It can also be seen as a confrontation between the rational and the irrational. By and large, the U.S. has acted rationally throughout the last few months. From the start, President Carter seems to have made two basic decisions. The first was that there could be no question of handing over the Shah and the second was that it was not feasible to seek to rescue the hostages by force.

The latter was not a moral judgment. It was based on the assessment of the military chiefs of staff that, while it would not be too difficult to storm the U.S. Embassy in Tehran, where the hosages are held, it would be a vastly harder task to bring out the hostages alive. The environment is so different that there is simply no ground for comparison with previous rescue operations in Entebba and Mogadishu. That assessment has not changed with the months.

President Carter has thus relied on a mixture of patience and diplomacy. He supported the efforts of Dr. Kurt Waldheim, the United Nations Secretary General, to secure the hostages' release, even though such an approach was perhaps against the natural American grain. At the same time, however, the President has had to deal with a domestic opinion which is more than usually inflamed and feels that the national honour has been impugned. It was always on the cards that opinion would come to believe that patience and diplomacy had been taken too far and that more drastic action was required.

At first sight, it looks as if Mr. Carter has now given way to such pressures. Certainly the new sanctions against Iran announced on Monday go beyond what had been generally expected at this stage. Yet on closer inspection it can be seen that the principle of not taking punitive measures for their own sake is still being observed. There is no evidence of an unthinking desire for revenge.

It may be said that there is no evidence either that a rational approach to an irrational adversary will pay off. But those who argue this way have an obligation to say what better could be done. There remains no reason whatsoever to believe that the lives of the hostages could be saved by the use of force. And if force is out, and the lives of the hostages are paramount, the American options are strictly limited.

Oil card

So, as it happens, are those of Iran. One of the country's main assets in retaliating against American, or western, action has been oil. It is also a declining one. Recent exports have fallen to well under 1m barrels a day, or less than half the output of the British part of the North Sea. As an oil power, especially at a time of slack world demand, it has become a negligible quantity. The oil card has already been played.

There are still, of course, the students' powers over the hostages and they are indeed frightening. Yet one wonders what either the Ayatollah or the militant students would have to gain either by bringing them to trial. One possible result is that such action would remove the last obstacle to American military intervention. That could happen, but it has not happened yet. The Iranians, so far, have pulled back from the most extreme irrationality. In the circumstances, it is safer for Mr. Carter to go on playing the waiting game. It is not ideal, but it is better than the alternatives.

Pupils must come first

THE PRINCIPLE of "producers' soverignty," which asserts that the primary function of industry is to cater for the wishes of producers, rather than consumers, is unfortunately deeply entrenched in British industrial life. The arrogant refrain of this week's National Union of Teachers' conference—that teachers alone should control the most important aspects of school education, and in particular, the curriculum—is simply a symptom of the steady industrialisation of Britain's social services. This has allowed the effects of producers' sovereignty to spread in an ever more damaging way to parts of the public sector in which the absence of market forces deprives consumers of their normal means of redress. The extremely hostile reception accorded by the NUT conference to Mr. Mark Carlisle, the Education Secretary, has to be interpreted in this light.

Grounding

Mr. Carlisle's proposal to define the teachers' working conditions more precisely was heckled and attacked. But the most violent denunciations were reserved for an earlier suggestion from the Education Department, that a "core curriculum" should be introduced by the Government, to ensure that all schools provided their pupils with a solid grounding in the most essential subjects, particularly English, Mathematics and Science.

In opposing these ideas, teachers have laid claim to a near-monopoly of the insight required to determine what their pupils need to know and how they should be taught. While it is undeniable that teachers' professional experience of education gives them a uniquely important role in the education debate, their pretensions to ominiscience are no more persuasive than the special pleadings of many other professional groups and unions whose customary priveleges and restrictive practices are attacked.

The NUT's reasons for opposing the Government's proposals have at least as much to do with concern about its members' jobs and pay, as with the welfare of schoolchildren. A linkage between pay and working conditions is believed to be an integral part of the Clegg Commission's report on teachers' salaries. Local authorities have become increasingly concerned in recent years with the scope for industrial disruption created by the large voluntary element in teachers' present working arrangements.

More generally, the possibility that some concept of "productivity" might creep into educational pay bargaining poses a number of threats to the NUT. First, it threatens the opposition to the cuts in public spending on education. The Government has sought to justify these cuts on the grounds that school rolls will be falling rapidly over the next five years, as a result of demographic change. The NUT's response to this argument is that this decline in pupil numbers should be used to reduce the size of classes, instead of cutting teaching staffs.

More fundamentally, the idea of linking pay and working conditions is seen as a threat to the autonomy of teachers' professional standards and conduct. In this sense it is another prong of the "attack" represented by the core curriculum. At the simplest level, many teachers are disturbed by the increasing involvement of Government in education because they are not trained to teach the subjects for which the Government wants to increase demand. One of the most potent objections to the core curriculum is that there are currently not nearly enough Methematics, Science and English teachers to put the idea into practice.

Status

At a deeper level, many teachers no doubt genuinely feel that they and their pupils may become the victims of politically motivated and Philistine attempts to turn education into social and economic conditioning. They fear not only that their own status would suffer if they became mere servants of the State, but that the amount of freedom and individualism in society as a whole would be reduced. The best way to allay these fears is to look at the experience of many European countries, which have an education system much more centralised than anything that the Government has contemplated, in which the status of teachers and the level of educational attainment are higher than in Britain. And it is on high educational standards that freedom thrives.

The case for new pension fund guidelines

BY CHRISTINE MOIR

BY now the Wilson Committee, which has been studying the workings of the financial institutions for three years, should have completed its final draft of the important section in its report devoted to the supervision of pension funds.

What was expected to be the final drafting meeting was held on April 1. The arguments for and against the need to impose greater regulation upon the pension fund movement were thoroughly rehearsed during the two years of hearings and depositions but at the last minute the case for recommending tight, statutory regulation of a movement which is responsible for some £40bn of the country's savings must have been extraordinarily strengthened.

Recent events in the Electricity Council pension fund — the fourth largest in the country with assets of over £1.3bn — which led to the suspension of its two investment managers, though still far from clear, suggest a serious deficiency either in the investment strategy of the trustees or in their surveillance of their investing officers.

Such sudden discoveries in the financial sector invariably arouse a demand for greater and more formal policing, all the more so when the area is one where outside superivsion is presently cursory to the point of laissez faire.

Pension funds are not even required to produce accounts and for some time there has been growing concern at the lack of certainty as to whether they are managed with probity and prudence. Some City cynics have even gone so far as to suggest that it was only a matter of time before a scandal of major proportions was unveiled.

At a recent seminar, Mr. Michael Renshall, a partner of accountants Peat Marwick Mitchell, called the pension fund movement "one of the most obscure areas of financial reporting." A leading pension fund manager admitted privately that the framework within which most pension fund monies were invested "does not bear examination."

Such fears are already stimulating connected professional and trade associations to seek ways to improve the management of the movement. The National Association of Pension Funds, which numbers most of the large funds among its 1,700 members, is to study a draft Code of Practice at its annual conference in May. Among other matters this recommends annual audited accounts supplemented by a profile of investments and an actuarial statement.

The Accounting Standards Committee is going further with an exposure draft due out in a few months which will propose a standard method of accounting for company pensions.

Both of these moves, however, are still tentative and their first published expression is likely to be less than satisfactory. Meanwhile no recognisable framework exists, even by way of self-regulation, which goes anywhere towards satisfying demands for strict accountability by financial institutions.

In this vacuum the clamour for statutory regulation is all the more understandable. In the main it has come from the trade union movement, which after all has the most vested interest in its own members' retirement savings, and which has a tradition of seeking legal and parliamentary solutions to problems.

The trade union movement is thought to have expressed its views forcibly on the Wilson Committee though its arguments for tighter supervision of pension funds have been somewhat confused by a parallel but different demand for political direction of a minimum proportion of their funds into designated "socially desirable" investments.

Ashley Ashwood

Sir Harold Wilson has already hinted that his report will insist on tighter control of pension funds.

Minimum level of regulation

At the very least the committee will probably have been persuaded of the need to recommend legislation to require funds to produce annual audited accounts. Enforcement of an annual meeting of members and the public display of accounts would be natural corellaries of this.

The arguments for such a minimum level of stautory regulation gain force from the many times more stringent supervision applied to the insurance industry which is now very little larger than the pension fund movement.

But before such recommendations are legislated upon, however unexceptionable they might appear, the Government would need to take serious account of the practical dissimilarities between insurance and pension sectors.

One reason why control of the insurance industry can be so rigorous is that only a limited number of companies is involved — there are, for example, only about 80 life offices. The total number of pension funds, however, is estimated by the Government Actuary at more than 85,000. There are 2,000 with over 500 members; 200 with assets in excess of £20m.

There would be little point requiring pension funds to conform to minimum legal standards of accounting without the existence of a statutory office able to enforce the maintenance of the standard by regular monitoring. At present the Occupational Pensions Board is already stretched with the simpler job of authorising new pension funds. It is inconceivable that it could be geared up within less than a decade to a regular policing job.

For this practical reason alone the self-regulatory route, via the accountancy bodies, looks a better bet and the governmental role could be restricted to laying down a bare framework to be monitored, as with company law, by auditors.

Problems would still remain, however. It is ironic that the Electricity Council fund is one of those which voluntarily produces annual accounts (though it promptly negates much of the benefit oft his provision by refusing to put them on public display and witholding them even from serious outside inquiry). Moreover, at the time its particular problem with Westmoreland Investments was assuming crisis proportions, these accounts were audited without qualification by Peat Marwick Mitchell.

The statutory route also looks less attractive in the light of recent U.S. experience. Here the introduction of stringent legislation designed to safeguard retirement savings has had the unfortunate effect of driving some companies to abandon industrial pension schemes altogether, and others to impose ultra-conservative investment strategies carrying prudence to the point of buying Government paper only.

Such considerations have inclined professional observers of the pension fund movement to seek the solution to better supervision of funds through improvement of the existing mechanisms, particularly the trustee system.

Legal responsibility for the preservation and management of employees' retirement savings resis with the Board of trustees which every fund is required to have. Composition of the trustee Board, however, is left to the Board of the related company and varies widely.

The most common profile is for the trustees to be drawn in equal numbers from company officers and employee (usually trade union) representatives. Usually the chairman is a senior company Board director, often the deputy chairman or financial director. However, the company secretary sometimes assumes the role.

There is well founded misgiving about this structure. The employee representatives, while usually experienced trade unionists, are unlikely, except in individual cases, to have the sort of commercial and investment expertise which would enable them to monitor their investment management, either in-house or external, sufficiently closely.

The company officials, while possibly more equiped by training for the task of laying down investment strategies and supervising performance, are frequently overworked in their other company capacities and may also be subject to conflicts of interest since they are employees of the company and not the fund.

Of the major funds only the biggest, the Post Office, has an entirely independent fund. It is administered under a trustee corporation whose board of nine, while including company and worker representatives, is dominated by senior directors of leading merchant banks.

There is a strong body of opinion that trustee boards should be reconstituted to establish a degree of independence from the parent company and should include at least one independent professional with wide commercial and investment experience.

However it is not only the composition of trustee boards which has given rise to fears of inherent weakness. For the most part the trustees are appointed with merely the simple brief to be responsible for the funds' investments and distributions. Precise job specifications could, it is argued, provide vital safeguards against inconsistent performances by the trustees.

Pension fund trustees have two clear roles on the investment front: to lay down an overall investment strategy and to monitor and support their officers' investment tactics in the light of that strategy. In practice most trustee boards delegate those reponsibilities to an investment sub-committee which effectively has complete control both in formulating strategy and supervising performance.

Independent member

The composition of this pivotal committee is all to often incestuous. It is frequently composed of the investment executives or dominated by them with little more than token chairmanship by the trustees.

One simple improvement would be to introduce at least one independent professional at this level. Some companies have already taken steps in this direction by the appointment of a general manager or chief executive to whom the management reports.

A more radical, but still practicable improvement — which has already gained some adherents within the Wilson Committee and elsewhere — is the establishment of a trustee "watchdog" charged with the dual responsibility of vetting the composition of trustee boards and laying down their specific duties.

This authority — it could easily be the Bank of England or its main arm in the investment area, the Council for the Securities Industry — would vet the compositions of trustee boards of, say, the 2,000 funds with over 500 members. It could also advise companies where appropriate independent professionals might be sought as trustees.

The same authority would also instruct the trustees in their specific duties. This would not need to be done on an individual basis—a practical impossibility. What is required is a set of guidelines by which trustees could examine their investment strategies and which would offer parameters for monitoring performance against those strategies.

Tha guidelines could take the form of a code of practice, not dissimilar to the general principles laid down in the City Code on Takeovers and Mergers. Once formulated it would need only occasional updating

Discussions along these lines have thrown up an even more radical proposal for the establishment of a small suparvisory executive body to administer such a code along the lines of tha Take-over Panel.

It is possible that the proposal would founder on closer examination, not least because it is unclear what action such a panel could usefully take if a fund did deviate significantly from the code—it might, after all, prove to be a brilliant investment innovation to do so.

A lesser obstacle would be in arranging for deviations from the code to be drawn to the panel's attention. That might be overcome by a requirement for the published accounts of the funds, distributed to the Press and professional bodies, to include a statement on the funds' adherence or deviation from the code in particular instances.

To give just one example: the code might sensibly lay down that no single investment by the fund should exceed a fixed proportion of total assets. The trustees would have the freedom to waive that requirement but the accounts would need to particularise any instance in which an investment exceeded that proportion.

The debate over the management of £40bn of the country's savings, which has tended to die down since the Wilson Committee went into its long drafting recess has already been re-stimulated by the Electricity Council's problems. It will no doubt become noisy once the Wilson report is published. But this may not be for several months yet (the heaviest betting is now on an autumn publication date).

Meanwhile much could be achieved by voluntary action in pre-empting or mitigating the worst effects of over-restrictive and costly statutory regulation at the same time as laying the framework for an improvement in visible control of the management of the movement.

MEN AND MATTERS

Avana rounds off its menu

The adventurous Dr. John Randall, who has helped quintuple the profits of the South Wales food firm Avana since he took over as managing director five years ago, now boasts that, with his latest acquisition, he can offer a full menu of top-quality foods.

Well entrenched at the high-quality end of the market for foods ranging from fruit juices through meat products to desserts, Randall has now acquired the coffee to complete the meal. For a £200,000 outlay he has just bought Costa Rica Coffee—"no connection with the country, any more than Avana is connected with Cuba."

Based fittingly in Caribbean House, Cardiff, the company is, he says: "simply a roast coffee house" importing green beans from all over the world and roasting them for sale. Randall, however, has his eye on expansion. "Real coffee," he enthuses, "is the way the market is going. People are much more venturesome in their habits, and I have one or two ideas on how to market the product."

Looking back on the changed fortunes of Avana, which have recovered from a sorry state since his arrival, he notes that Costa Rica's profit last year was £30,000 — "about half the earnings of Avana five years ago. I think we can progress from there, despite the recession."

A devout follower of the "small is beautiful" creed, insisting that growth should come from innovation and new top-quality products rather than expansion into high-volume output of established quality lines, Randall concedes that for the moment at least Nestlé has no reason to lose sleep over his venture into the coffee trade.

He ought to know. As technical director of Nestlé he was responsible for introducing Gold Blend instant coffee to Britain in 1966. At the moment, he says, Britons drink about 2½ cups of the beverage a day, and some 98 per cent of all sales are instant coffee.

"Look at it this way," Randall confides modestly. "Nestlé buys more than one out of every six bags of coffee produced in the world. Costa Rica would probably buy only one bean from each of those 60 kilo bags — and even then I think I may be exaggerating."

Doctors' dilemma

While you and I and several million others go to hospitals seeking comfort and the application of the healing touch to our physical ills, there it, it seems, a growing section of the community which views them as places which provide cures for financial ailments and outlets for their grievances against "the system."

Nothing is sacrosanct, according to Hilda McKerral, chief security officer at Charing Cross Hospital, who is struggling to rouse interest in a seminar on hospital security later this month. "Thieves will take virtually anything that will move," she says. Cases of disappearing linen, equipment, and even X-ray film (for the silver content) are commonplace. And she reflects ruefully on the recent grand coup in which £132,000-worth of rubber gloves were converted into pocket money by fraudsters.

Increasing sophistication in equipment has raised the value of the loot to be pillaged from the wards and laboratories. There is even, I understand, a ready market for items such as purloined electron microscopes.

John Nichols, security officer for Hammersmith South District, points to the advantages of having properly trained security staff in hospitals. With 15 under his control including a dog handler prowling the perimeters of Charing Cross, he claims to have reduced personal attacks on hospital workers by 80 per cent. So far this year he has logged only one such assault.

Ten years ago, he recalls there were about 18 senior security experts in the whole UK hospital network. Now there are some 160, excluding staff, and there are still not enough.

His concern, however, is apparently not shared in other areas. In 1979 English hospitals alone lost £7m through reported cases of theft, vandalism and fraud. The Government acknowledges this is only a tiny fraction of total losses. And yet for the coming seminar only 20 applications have been received from the 400 hospital districts in the country. "All things considered," says Nichols, "this is bad. Either most of them do not suffer with security problems, or they do not want to admit they have any."

Dog's chance

I make no apologies for disinterring yet again a bone of contention I have been gnawing intermittently for some months. As I reported in January, hoping vainly to catch the eye of the Budget-balancing Chancellor, the cost of dog licence fee collection in 1978 exceeded income from these dirt-cheap (37½p) documents by £600,000. In the current year, the Government now says, the net cost of this public subsidy to pet owners is likely to £1.5m. Further Whitehall arithmetic reveals that following Ulster's lead and raising the licence fee to £5 would yield a net income of more than £11m. Maybe next year, Sir Geoffrey . . .

Food for thought

Poland's state broadcasting network is quite happy to knock capitalism. After all, that is part of its job, and therefore it came as no surprise the other evening when the main television news programme devoted a major item to the growing divisions within the European Community over its Common Agricultural Policy.

What was surprising (although perhaps it should not have been) was the reaction of viewsr. In 1970 bloody riots, triggered by a decision to raise meat and other prices, led to government changes at the highest level, and again in 1976 similar rioting erupted over an attempt to institute price rises overnight. Long queues for food have long been commonplace in Poland, and only a few weeks ago the Government warned of another five years of austerity.

So, when out on to Polish airwaves went long, lingering pictures of vast, neatly stacked stores of EEC food unwanted in the Community, the reaction was immediate. Consumer frustration burst into a barrage of telephone calls to television headquarters. The viewers' message was simple: put Poland forward as a prospective member. Almost to a man they said that if food gluts were at the root of the EEC crisis Poland had a considerable contribution to make as a consuming member.

Shocked media men quickly prepared another item to demonstrate that the EEC was no paradise. This time, Mr. Maciej Szczepanski, head of radio and television, personally checked the content of a more critical feature on what in the Community are called "disadvantaged areas."

Horror movie?

Eyebrows were raised in my office yesterday afternoon as the BBC, hard at work on a Jim'll Fixit stunt, trundled a hay wagon along Cannon Street into the Square Mile. They were also raised (accompanied by mutterings of "do they know something we don't?") outside the Stock Exchange in Throgmorton Street where an ITV team was busy filming an episode of the spine-chilling series Tales of the Unexpected.

Observer

David Bell and **John Lloyd** report on the increasing capacity of data banks and other communication systems

Computers and the threat to privacy

IT IS 1998. The Inland Revenue has reason to believe that a tax return is telling less than the truth. Using the master number assigned to each citizen, a tax inspector asks the government computer centre for its surveillance file on the individual concerned.

The government computer contacts smaller versions of itself in tha Ednca tion Department, the Health Ministry, the Home Office, the police and the armed forces. Using the same number it also interrogates the Post Office's central records system and compnters belonging to a variety of organisations including several banks, assorted credit card companies and the Stock Exchange.

Within minutes the information gathered is automatically sorted into chronological order and printed out to be aent hy secure land line to the Inland Revenne. Once there it provides a fairly comprehensive picture of the life of the man whose tax return is suspect.

That is at present a fantasy. The Inland Revenna is not yet even fully computerised itself. There is no master number for each individual and none ia in prospect. Moreover, the Home Office has said emphatically that the Government "bas no plans to construct a central data bank . . . and they have no intention of allowing the computer systems under their control to be linked together."

But since those words were written in a White Paper in 1975 the capacity of computer systems bas expanded enormously. Within ten years it will ba technically feasible to link within seconds disparate systems—both public and private—in the way described above. Computer record systems are already advanced enough to sort out and cross-refer amounts of information that, even ten years ago, would have been practically indigestible.

The very existence of this capacity is enough to frighten some civil libertarians who fear that it is only a matter of time before it will be utilised. This is perhaps the extreme view. Yet the fact remains that if central government, or any company had rapid access to such a "surveillance file" on individuals it would greatly enhance their power . . . for good or ill.

In one sense the mere presence of the computer changes very little. The information that is now slowly being transferred on to computers has always existed—gathering dust in filing cabinets. The Inland Revenue, or any other body with the right to sea it, could always do so.

But what bas changed is the speed—and, more important, the ease—with which these records could now be examined and compared. Before computers recorded the length and destination of all telepbone calls, for example, it was always possible to track them down by hand but it was an arduous business.

Paper-based files also have to be kept in one place. Access to them requirea the presence of a person doing the searching. But with the computer, an unknown aearcher may be sitting at a remote terminal hundreds of miles away, provided he has the right code word to gain access to the computer.

The Government and the compnter industry have discussed the issue of privacy for more than a decade. A Committee on Privacy under Sir Kenneth Yonnger reported in 1972, and said of computerisation that "we cannot on the evidence before us conclude that the computer as used in the private sector ia at present a threat to privacy, hut we recognise there is a possibility of such a threat hecoming a reality in the near future."

In 1975, a White Paper, "Computers and Privacy," came to roughly the same conclusions on computers in Government and the public sector. It said: "The time has come when those who use computers to handle personal information, however responsihle they are, can no longer remain the sole judgea of whether their own systems adequately aafeguard privacy." The White Paper proposed the establishment of a Data Protection Committee.

The Police National Compnter, based in Hendon, North London

Tha report of the Committee on Data Protection (Lindop Report) took up the proposal for a data protection body. Puhlished in December 1978, the report argued that a Data Protection Authority should enforce codes of practice which "would prescribe such matters as the data to be handled, the uses to which they are to hc put, their disclosure to data subjects and third parties, the assurances to be given when they are collected, the safeguards for ensuring their accuracy and the circumstances in which users must seek the consent of data suhjects or authorisation from tha DPA."

The necessary spadework has been done and done again. There bave heen committees, reports, seminars, learned papers, articles and protests: and that is where it rests.

The immediate result is that the number of data hanks in both public and private hands is increasing, without any legislation which is centrally concerned with their use. Indeed there are laws which provide safeguards in rclated areas. The Consumer Credit Act of 1974, for example, allows the individual access to the information—generally computerised—on which a company has turoed down his request for credit. There are also general ethical and professional standards, which it may he assumad are enforced. But no Act is yet on the Statute Book which grapplea with the potential of the technology and safeguards citizens, associations or corporations from its misuse.

Thus while most Western countries have adopted statutory curbs on access to computer-stored data, Britain is still in the position of heing, in the words of one manager, a "dirty data haven." This "legislative gap" may already he leading to some commercial loss. European or U.S. companies which wish to store and use data in the UK might be deterred if they cannot offer their clients the same standards of security to which they are accustomed in their home countries.

Those most concerned with the issue see a dichotomy at the heart of it. Mr. Joe Kenny, chairman of the committee on privacy established hy the British Computer Society, argues: "On the one hand, computerised records are often more secure than paper ones, because you both have to get into the building nnd he expert in assessing data. Bnt it also allows you to manipulate data in ways that were not originally intended: yon can cross-refer rapidly to different sets of information."

The most controversial data bank (though not necessarily the one with the most potential for control, as we shall see) is the Police National Computer, based in Hendon. It holds the records of 22m car registrations, updated daily from the Vehicle Licensing Centre in Swansea. Any police constable can, within minutes, find out the owner of the car in front of him by using his radio, and with the aid of the computer terminal in his local police station.

Among other things, the computer, which handled 40m inquiries last year, also has access to an index of 3.5m people wbo have heen charged with, or convicted of, an offence, a further million aliases and a highly developed system of name matching (the actual criminal records of these people, however, are not on the computer and are held in local police atations).

In addition, the Metropolitan Police has a computer which it is said to share with the Special Branch, and several local police forces have heen experimenting with compnter systems.

The Thames Valley Police is currently evaluating an experiment to computerise an enormous amount of local police intelligence of the kind once held in tbe brain of a station sergeant.

The suspicion which haa surrounded the operation of the Police National Computer, bighlighted by cases (aa yet unproven) of possihle misuse of data which might be contained on it, is, say the police and thc Home Office, almost wbolly without foundation. It is certainly at times the case, as policemen often like to emphasise, that the most vocal suspicions come from those groups which hava at best an amhiguous view of the police, or of the policing function itself.

This suspicion that control of information will lead to forms of control goes far beyond police work. It is now increasingly voiced hy workers and their unions, faced with radically new work practices as offices, and to a lesser extent plants, introduce electronic data, word and text processing equipment. Computer-based office telephone exchanges now offer the facility to management of monitoring, day by day, the numbers to which its employees placc calls. computerised word processors allow remote work measurement. Many unions, including the Association of Professional, Executive, Clerical and Computer Staff (APEX) views these trenda as disturbing.

Mr. Tim Webb, whose responsihilities for the Association of Scientific, Technical and Managerial Staff's covers the electronics industries, thinks the coming generations of office equipment will lend themselves to the introduction of piecework and honus systems. "You can now monitor centrally the number of accurate keystrokes on an electronic typewriter or word processor. The high cost of the equipment will mean a need to utilise it for longer periods than now. That comhination is bound to lead to pressure for piecework or shift-work, especially in offices not organised by trade unions. Mr. Wehh, who recognises there is a ned for increase productivity in the office, is still against such moves—"I don't like going hack to working under the crack of the whip."

If the worker may feel this way, so may the consumer. For here too, greater computerisation offers greater speed and convenience in transactions, hut also carries with it the potential for control.

Almost everyone makes several purchases a day. When and if eash and cheque transactions are replaced by a general system of electronic funds transfer — where purchases are directly and immediately deblted to the customer's bank account through a point-of-sale terminal—a record is created in the customer's bank of his movements hour by bour. It is a classic instance of a system designed to serve a benign commercial purpose carrying within it a malign potential. No police network in the world has such monitoring power.

The when and if need not be far away. Recently, Mr. Bob Amos, assistant chief general manager of Lloyds Bank, announced that the clearing banks, together with the major retail chains, had advanced plans for the estahlishment of a nationwide Point of Sale Terminal (POST) scheme which would connect retailers and other industrial and commercial customers to every clearing hank hranch in the country, and allow money transfers to take place instantaneously (i.e., the computer would dehit the account as soon as it was called npon to do so hy the sales terminal).

Naturally, these records would he made secure. Naturally, most people would feel little alarm that someona somewhere knew the size of a food hill, and when and where it was paid. But the record would he there: it would not previously have existed: the potential for monitoring would have heen created.

The conclusion would seem to be this: the fruits of techoology, apecifically computer technology, are not wholly sweet. The data hanks and rapid communication systems which have made life much more convenient, and are indeed indispensable to the continued amootb operation of advanced societies, also mean new power for those, in government or industry, who have access to them. Ensuring that the right safeguards are in place to atop this power heing ahused is likely to be a major preoccupation for the State in the years ahead.

Letters to the Editor

Property owning

From Mr. H. N. Darling

Sir,—I appland the clarity of Mr. Roaf's prose (April 3), but his argument is based on a fallacy. If house mortgage interest rates were allowed to rise to open-market rates, first time buyers would gain, as I shall attempt to explain.

Each quarter, the Nationwide Building Society publishes graphs showing house prices and average earnings. Over the long term the two graphs correlate very precisely, as they must do. House prices are determined by bnyers' ahility to pay, which particularly for first time buyers is determined hy their ability to raise mortgages, which is determined by their earnings. In addition first tme buyers have the prohlem of finding a deposit. The deposit presents a particualrly difficult burdle for first time buyers from poorer backgrounds.

If, as Michael Cassell's article (March 25) suggested, house mortgage interest rates were alolwed to rise to open-market rates, first time buyers would find it harder to finance their purchases. They would only be ahle to support smaller mortgages, so house prices would fall (or rise more slowly). A new equilibrium between house prices and earnings would in due course be reached. Far fro making it barder for first time buyers, htis would make it easier. The cost of servicing their mortgage would be the same, because although interest rates would be higher honse prices would be lower and they would have smaller mortgages. Their deposit would be smaller for the same reason.

The beneficiaries of higher mortgage interest rates would be not only first time buyers who would need to raise smaller deposits, but also building society depositors who would receive a more equitable return on their money.

H. N. Darling.
80, Waldemar Avenue, SW6.

Negotiations on cocoa

From Mr. Kabir-ur-Rahman Khan

Sir,—The failure of the members of the International Cocoa Organisation to reach an agreement even on the continuation of the organisation has *inter alia* highlighted the organisational shortcomings of the contemporary international commodity agreements.

Unless some measure is taken immediately, with the failure of the negotiation, the demise of the International Cocoa Organisation and the ensuing adverse effect on other commodity organisations is inevitable.

It will be a severe blow to international co-operation if all the useful work that the organisation has done is allowed to be discontinued and no joint machinery comprising consuming and producing countries is provided.

As with general trade, there is a need for an international commodity trade organisation. The proposal for establishing a general agreement on commodity arrangement — on the lines of GATT — was first made in UNCTAD 1964, later reiterated by the Commonwealth Conference in 1975.

An International commodity organisation — as distinguished from an agreement covering several commodities — will on the one band provide a permamanent framework of international co-operation independent of short-term regulatory agreements and on the other enable the members, as in GATT, to negotiate in an orderly and unpressurised manner.

Secondly, looking to the future, negotiations on cocoa should perhaps be transferred to the framework of the Integrated Programme for Commodities (IPC). The constraint of conference resolution 93 (IV), to the effect that tha negotiations on commodities which are already regulated by an ICA should he conducted according to the procedure established hy tha organisation concerned no longer obtains. By taking this step, at the least the impetus for consultation will be maintained.

Mr. Kabir-ur-Rahman Khan.
Department of Public International Law,
Old College,
South Bridge, Edinburgh.

When daddy comes home

From Dr. John Wnlker

Sir,—What an excellent idea of Alan King's (April 1)—a nine hour per day. Fonr day week. An additional advantage for us commuting fathers is that we would see more of our young children. Mine are usually in bed when I leave home, and in bed when I return in the evenings ("Daddy is the man who comes to stay at weekends").

Unfortunately, if you have a season ticket, as I do, yon will not reduce your expenditure at all. Nonetheless, I will attempt to persuade my own company to introduce this scheme lmmediately.

John Walker.
7, Church Path,
London, SW19.

Those Post codes

From the Managing Director, Electromedica

Sir,—My company is in the mail order business and makes extensive use of the postal service. Whilst there bas been a vast improvement in the service compared with 1979 a small percentage of our mail is still suffering delay, becoming lost in the post and being misdelivered.

I question whether the Post Office can be following its own advice to consumers in the current campaign to encourage the use of Post Codes. If tbey were, presumably, it should not be possible for mail to be misdelivered by several miles whilst bearing the correct post code!

Neville Cheek.
PO Box 3,
Bournemouth.

The wrong questions

From Mr. B. Dodd

Sir,—Recently my company agreed to participate in a postal survey. Taken today (April 2), this coincided withyour leader comments on the Post Office Monopolies report. The extent to which it is out of touch with it's customers is shown by the enclosed questionnaire. Some of them ort important questions omitted are:—

Class of Mail (1st or 2nd).
Where and when posted.
When received.
Number of wrongly delivered items received.

These are more meaningful hench marks against which the performance and efficiency of this organisation should be measured.

B. Dodd.
4, Torridon Road,
Bolton, Lancs.

Electronic messages

From Mr. P. Holroyd

Sir,—The article hy John Lloyd io the Management Page (March 28) prompted me to look at some of the historical data of the growth of telecommunications. A simple analysis of the expenditure figures on telecommunications and letter-post from 1963 onwards shows that throughout this period there bas been very consistent, regular and persistent pattern of transfer of use from material to electronic messages within the UK.

The regularity of this substitution pattern, hacked by the equally regular phase space pattern now used by planners suggest that by 1985 annual expenditure in real terms on telecommnnications could be of the order of £5.1bn whilst that on the letter post will be about £400m . . . compared with 1978 expenditure of £900m and £160m respectivaly.

Such a persistent suhstitution pattern, if it were to continue in the way described would have many socio-technical implications for husinesses and people in the communications field: from the effective distribution of R and D costs to the concern for future manpower requirements in these areas.

I wonder if it is too early to ask if these and similar problems are heing given consideration hy tha decision-takers within our communications industry? And if not, what evidence is there that such problems will not, in fact, arise?

P. Holroyd.
Senior Research Fellow,
Bradford Group for Forecasting and Policy Alternatives,
University of Bradford.

Funding of pensions

From Mr. L. G. Brookes.

Sir, — I hope Mr. Bandey (April 1) the president of the Society of Pension Consultants, will forgive me if I say his view of pension provision is that of an accountant and takes no account of the economic realities.

When we stop working, we are, in the last analysis, in much the same position as the aged members of extended families like those in countries such as Afghanistan—as I used to point out to my childless friends wben they complained about paying more income-tax than I did. We do rely on the output of our children and grand-children to support us. Without that, Mr. Bandey's pension funds would be useless. It follows that the pay-as-you-go method more accurately reflects teh economic realities.

We do have to worry about the possibility of falling output in the future. This makes it more sensible to link pensions to the wages index rather than the prices index — which is what civil aervants aought originally but were refused.

Mr. Bandey argues that pension funds keep pace with inflation. If that is so, why do we see such absurdly high figures for the valne of an iodex-linked pension on a funded hasis when its total value to the pensioner can barlly be more, given actuarial considerations, than about four times his retiring salary?

L. G. Brookes.
16, Ipswich Road, Bournemouth.

Inflation proofed

From Mr. S. Hason

Sir,—Private employers are traditionally reluctant to commit themselves to inflation proofed pensions. But they are quite prepared to commit themselves to pensions hased on final salary. Yet, a final salary pension does expose the employer to the full inflation risk from now up to retirement.

In effect, therefore, pensions are inflation proofed up to retirement. But when the retiring employee walks out of the door, clutching his farewell present, be is out in the cold.

I should think that for many employers, the aggregate inflation risk which is accepted under final salary schemes up to retirement would, perhaps, he more than the risk after retirement. So the sharp contrast hetween the serving employee and the retired employee seems strange.

The serving employee is overprotected. The employer's aggregate accepfahle inflation risk (whatever that may he) should be spread equitahly between serving and retired employees. This would mean some retreat from final salary schames, coupled with a greater commitment to compensate pensioners for part of post ratirement inflation.

S. Hasan.
Chundrigur Road,
Karachi, Pakistan.

Standards maintained

From Mr. B. Webh Wnre

Sir,—The president of the Society of Pension Consultants bas challenged my views on pensions at length and with vigour.

I have no vested interest in the pay-as-you-go system, but I am deeply concerned that pensioners, often old, ill and poor, should have their living standards maintained.

The Chancellor, wbose realism Mr. Bandey praises, thankfully shares that concern by stating that he will maintain the purchasing power of the old age pension while redncing social security benefits to thosa able to take care of themselves.

In stating this he has avoided any temptation to freeze the old age pension as at a pensioner's retirement date on the grounds that the pensioner bas not paid for anything more, which is the basic philosophy of most industrial pension funds.

B. Webb Ware.
Stoberry Cottage,
Graffham, Sussex.

Forced closure

From Mr. E. Loewy.

Sir,—The paragrapb in your issue of March 31 abont the demise of Peter Lind and Co. makes sad reading. I am sure that most engineers who have bad experience of working with Lind's on civil engineeriog projects, particularly as consulting engineers, will have an appreciation of tha excellent planning, site control, temporary works, imaginative techniques and keen pricing which were to be found on all their jobs.

It is a deplorable comment on some of our public sector authorities—especlally the financial departments—that sucb a valuable element in the nation's industry sbould he forced to close, not because of poor record of insufficient order hook (as, say BSC), hut because of delayed payments and ooly-too-common foreclosure hy hanks' insensitive to considerations other than short-term finaocial ones. This is perhaps another example of the unnecessary decline of our economy.

E. Loewy.
Newcombe House,
45, Notlingh Hill Gote, W1.

Consulting engineers

From the Secretary, The Association of Consulting Engineers

Sir,—In civil engineering and construction, where each project encompasses different criteria and variables, research and development are a constant, ongoing process. Innovation and improvements are generated on new projects, born from past experience and increased knowledge of the prohlems to he faced and tha materials being used. British consulting engineers have been ahle to sell this knowledge axtensively overseas and have thus been obliged to update and sharpen the competitive edge of their designa and remain in highly competitive world markets.

Once upon a time consultants achieved similar results in design of machinary such as early railway angines and rolling stock hut the total loss of a home market has meant that very few consulting firms are now active in such mechanical design work.

This gradual erosion of thair home hase has more recently haen spreading into other areas such as road design, water supply and sewage disposal. Througbout construction and in these sectors in particular, ever more design work has been undertaken within government departments by public servants.

This must gradually affect the innovative flair of consultants so that their ahility to compete successfully abroad will gradually be impaired.

Their credibility abroad will be lessened if home Governments are seen to take designs elsewbere. It is impossible to train a new stock of competent enginaers on an inadeqnate amount of work in this country.

The lack of cross-fertilisation mnst gradually result in less competent uneconomic in-house design within government departments (or their local authority equivalents) with expensive designs remaining undetected through lack of a competitive market or even tha constant need to take stock of naw ideas heing developed.

This association would hope to see Government action so that an adequate workload exista in England for consultants to remain at the forefront of engineering design.

(Major-General) P. J. M. Pellerean.
The Association of Consulting Engineers,
Alliance House,
12 Caxton Street, SW1.

Today's Events

GENERAL

UK: British Rail pay talks.

Trades Union Congress economic committee meets.

National Union of Teachers conference cootioues, Blackpool.

Sir Michael Swann, British Broadcasting Corporation chairman, gives Fleming Memorial lecture, Royal Institution, 21, Alhemarle Street, Loodon, 7 pm.

Two-day educational equipment exhibition and conference opens, Harrogate.

Overseas: Dr. Bruno Kreisky, Austrian Chancellor, visits Belgrade.

Council of Europe Foreign Ministars meet in London.

OFFICIAL STATISTICS

Wholesale price index numbers (March—provisional). Final retail sales figures for Febroary. Hire purchase and other instalment credit business (February).

COMPANY MEETINGS

Anglo-American Securities, Bucklershury Honse, 3, Queen Victoria Street, EC, 2.45. Gillette Brothers Discount, 65, Cornhill, EC, 12.30. Kode International, Kode Honse, 43, Bath Road, Swindon, Wilts., 12. Western Selection and Development, 25-35, City Road, EC, 12.

COMPANY RESULTS

Final dividends: Ash and Lacy. Blackwood Hodge. Croda International. Danish Bacon. Dreamland Electrical Appliances. Empire Stores (Bradford). Gill and Duffus Group. Greenbank Industrial Holdings. Guardian Royal Exchange Assurance. Helene of London. S. Jerome and Sons (Holdings). Pearl Assurance. Ruberoid. Triplevest. Interim dividends: Ferry Pickering Group. North Atlantic Securities Corporation. Peters Stores. Startrite Engineering Group. Interim figures: F. Copson. Alfred Walker and Son.

Highland Distilleries well ahead to over £3m midway

IN THE first six months to February 29, 1980, taxable profits of the Highland Distilleries Company moved well ahead from £1.92m to £3.03m. Sales rose by £8.7m to £38.43 reflecting an increase in all sectors of the business, with the most significant contributions from The Famous Grouse and mature whisky sales.

Home trade sales of The Famous Grouse represented a market share of over 7 per cent in the 1979 calendar year. Sales in Scotland and England continue to show a strong upward trend, while overseas, work is continuing with the group's distributors to develop the product into a major international brand.

The net interim dividend is lifted from 0.55p to 0.8p per 20p share—last year's total was 2.1p on record pre-tax profits of £4.63m.

The initial response to the introduction of the group's three aged bottled malt whiskies has been most encouraging, Mr. John Macphail, the chairman, states.

The group's distilleries continue to operate at a high level of output and the expansion of Glenrothes distillery is virtually complete.

Fixed assets expenditure in the period increased to £1.06m, against £0.25m last time.

No provision has been made in the interim results for professional fees and expenses in connection with the lapsed takeover bid from Hiram Walker or its investigation by the Monopolies and Mergers Commission. Expenses are estimated at £200,000 which will be treated as an extraordinary item in the 1979-80 accounts.

	Six months 1980 £000	1979 £000
Sales	38,432	29,736
Depreciation	221	182
Trading profit	3,128	2,195
Interest paid	278	426
Investment income	182	155
Profit before tax	3,032	1,924
Taxation	†211	121
Net profit	2,821	1,803

† Represents ACT on dividends declared. Comparatives adjusted.

See Lex

HIGHLIGHTS

The gilt-edged market improved yesterday, though equities were in retreat. The Lex column looks at the factors which are causing some revival of demand for gilts with interest increasing ahead of tomorrow's banking figures. Elsewhere Lex looks at the ups and downs in the secondary oil sector following the announcement last week of drilling results in block 16/3A. A big profits jump at the half-way stage was revealed by Highland Distillers, currently subject to a Monopolies probe following the Hiram Walker bid, and terms were announced of the proposed bid by Hongkong and Shanghai Banking Corporation for Antony Gibbs. On the inside pages there are some buoyant figures from Erith and a small dip at Barton following the engineering strike.

RESTRUCTURING AT NEWAGE

Newage Engineers, a member of the Charterhouse Group, has restructured its operations in a move to improve efficiency and to emphasise its different activities.

The divisional structure has been discontinued in favour of a holding company with three separate operating companies reporting to it, the new companies being: Newage Engineers (Holdings), the holding company; Newage Engineers (formerly the electrical division); Newage Transmissions (formerly the transmissions division); and Newage Marine Propulsion (formerly the marine propulsion division).

Small and Tidmas falls behind

PRE-TAX profits of John C. Small and Tidmas, manufacturer of knitted fabrics, fell substantially from £314,930 to £167,965 after interest up from £31,540 to £63,636 in 1979. At the halfway stage, the pre-tax profit had improved from £127,316 to £152,632.

The final dividend is reduced from 2.9p to 2p, but the total is unchanged at 4p.

After tax down from £19,880 to £18 344, stated earnings per 25p share were cut from 24.59p to 12.47p. Profit attributable was reduced from £295,050 to £149,621.

Turnover for the year improved from £4.35m to £5.46m.

Rowan and Boden improves

TAXABLE profits of Rowan and Boden, furnisher, plastic manufacturer and floor and deck covering contractor, improved from £604,277 to £687,363 in 1979 on turnover of £11.41m against £9.98m.

The dividend is lifted from 1.47142p to 2.21p with a final of 1.31p. After tax of £78,911 (£1,302), earnings per 25p share are shown as 15.06p (14.92p).

At midway, profits had risen £69,000 to £320,000.

Good start for Neil & Spencer

AFTER reporting record results for the year to November 30, 1979, Mr. John J. Boex, the retiring chairman of Neil and Spencer Holdings, told the annual meeting that trading during the first few months of the current year had been satisfactory.

But he warned that the adverse factors of rapid inflation and high interest charges could affect the group's business at some stage. In the longer term the group was well-placed for a period of considerable development because, quite apart from its traditional activities, it served some interesting growth areas, he added.

Pre-tax profits for the period under review improved from £1.03m to £1.74m turnover of £21.86m against £15.12m. Major freehold premises were professionally revalued in January, 1979, on an open market vacant possession basis and this indicated their market value exceeded their net book value by £500,000.

During the year the value of goods directly exported or sold by overseas subsidiaries increased substantially and represented 54.1 per cent of total sales.

The level of activity in laundry and dry cleaning industries in the UK remained high but demand from the public sector was disappointing.

The board anticipates substantial growth in future years for Em. D'Hooge NV.

BOLLINGTON

Bollington Textile Printers has decided to dispose of buildings and plant occupied by a tenant company which, owing to adverse trading conditions, is to cease operations there.

Bollington will retain sufficient assets to cover the redeemable value of the preference shares and dividends to the date of redemption—not later than July 31, 1981.

SPAIN

April 8	Price %	+ or –
Banco Bilbao	225	
Banco Central	250	
Banco Exterior	206	
Banco Hispano	226	
Banco Ind. Cat.	130	
Banco Madrid	154	
Banco Santander	260	
Banco Urquijo	156	–3
Banco Vizcaye	232	
Banco Zaragoza	208	
Dragados	100	
Espanola Zinc	62	
Fecsa	58.6	+0.3
Gal Preciados	30	+0.5
Iberduero	58	–0.5
Hidrola	64.2	–0.3
Petroleos	109.5	
Petroliber	59	
Sogefisa	607	
Telefonica	54	–0.2
Union Elect.	62.7	–1.8

Second half rise leaves Erith ahead by 42%

SECOND half profits of Erith and Co. builders' merchant, advanced from £658,509 to £1.03m leaving the taxable surplus for 1979 ahead by 42 per cent at a record £1.65m, compared with £1.17m.

Demand for building materials, from the home improvement, maintenance and small works sector of the industry, continued through the six months to December, the directors state.

At the interim stage they said that given a continuation of the current trading climate, they looked forward to a record year.

Stated yearly earnings per 25p share are 18.57p, against 12.01p, and the dividend is stepped up to 7.5p (6.13843p) net, with a final payment of 5p. Also proposed is a one-for-one scrip issue.

Turnover for 1979 rose from £25.1m to £28.52m. Profits were struck after depreciation of £271,072 (£200,044), interest £161,406 (£64,291), and pension fund contributions of £129,745 (£109,700).

Tax for the period took £787,743 against £609,366 and after an extraordinary credit of £246,801 (£1,140) the attributable balance emerged well up at £1.11m, compared with £559,283.

The extraordinary items arose from the sale of the shareholding in Tunnel Holdings, and the sale of surplus properties, amounting to £143,911; the elimination of deferred tax in respect of stock appreciation relief for 1973 and 1974 of £130,838, less the cost of £27,948, of the E. L. Hunt acquisition.

● comment

Erith is cashing in on the buoyancy of the home maintenance and improvement market. The shares gained 6p to 120p yesterday following the announcement of 42 per cent profits growth. A turnover increase of only 13.5 per cent shows the swing from low-margin direct trade to high-margin ex-depot sales. The proportion of direct trade, which includes bulk sales of bricks, cement and the like, in the company's turnover has dropped sharply to 40 per cent since the removal more than two years ago of margin controls on distributors. The ex-depot trade comes from DIY enthusiasts, full-time jobbing builders and "black economy" moonlighters in proportions that are difficult to estimate. Two years ago, Erith was stung with a rash of bad debts as tight economic conditions drove builders out of business. The company is hopeful the remaining participants will be more resilient this year. Severe weather hurt sales in the winter of 1978-79 but the mild weather hurt sales in the winter of 1978-1979 but the mild weather so far this year has apparently been helpful. The yield of 9.3 per cent and fully taxed p/e of 6.8 seem to provide room for further price improvement but the shares are closely held.

Titaghur's Indian mills recover but no hopes for dividend yet

The current upsurge in the fortune of the Indian jute industry has helped Titaghur Jute Factory Company to earn handsome profits from its mills there for the first eight months of 1979-80, says Mr. H. J. Silverston, the chairman.

However, he points out that the group's financial resources have been greatly depleted by 6½ years of losses and it would be premature ot forecast a return to dividends.

Mr. Silverston says that substantial amounts will have to be spent on urgent repairs to buildings, plant and machinery. Spending of £0.35m has been sanctioned for the current year. Machinery worth £0.55m has been ordered locally and import licences are being sought for some £3m worth of machinery not available in India.

Meanwhile, in the UK the company's activities have been under increasing pressure and showed a loss for the six months to December 30, 1979. Also there are few hopeful signs at present of any improvement, the chairman states.

Because of the heavy losses made by the Indian mills it had not been possible to prepare a suitable scheme for amalgamation of the group's Indian business into a locally incorporated company. The Indian Government has, therefore, given Titaghur until the end of September to submit concrete proposals for Indianisation.

Mr. Silverston says the Board is confident that given continued profitable working in India, it will be able to put forward an acceptable detailed scheme.

In view of the transfer of the management and control of the parent company to India, which took place on January 1 this year, it was decided to sell the group's interests in the UK operating subsidiaries known as the Henry Group. As a result Asiatic Company (U.S.A.) Inc. contracted to acquire 51 per cent of Henry for £204,051 cash, compared with a net asset value of this holding as at June 30, 1979, of £341,397.

As reported April 2, for the year to June 30 last, Titaghur showed taxable losses down from £1.26m to £777,389 on turnover of £21.48m (£27.7m).

Yearlings dip to 17⅛%

The coupon rate on this week's batch of local authority yearling bonds has eased slightly from the record level of 17¼ per cent to 17⅛ per cent. Issued at par, they are due on April 15, 1981.

The issues are: City of Exeter (£0.5m), Cleveland CC (£1m), Amber Valley DC (£0.75m), London Borough of Lewisham (£1m), Merseyside CC (£0.5m), Metropolitan Borough of Wigan (£0.5m), South Staffordshire DC (£0.5m), Vale of Glamorgan BC (£0.25m), Hertsmere BC (£0.25m), Royal Borough of Kensington and Chelsea (£0.5m), Allerdale DC (£0.25m), Three Rivers DC (£0.25m), London Borough of Bexley (£1m), Dumfries and Galloway RC (£0.5m), Highland RC (£1m), Medina BC (£0.25m), Roxburgh DC (£0.25m), Cumnock and Doon Valley DC (£0.5m), Dartford BC (£0.5m), West Yorkshire Passenger Transport Executive (£0.5m), City of Manchester (£1m) and Metropolitan Borough of Sandwell (£1.5m).

South Northamptonshire DC is raising £0.25m by way of 17¼ per cent bonds due April 7, 1982, at par while Lochaber DC is issuing £0.25m 16¾ per cent bonds on April 3, 1985, at par.

Optimism at Alex. Howden

FOLLOWING THE downturn in 1978, taxable profits last year at Alexander Howden Group showed an increase from £17.73m to £20.12m and Mr. K. V. Grob, the chairman, says he is optimistic that this recovery in profitability will continue.

The chairman of this insurance broking concern says in his annual statement the potential recovery in cash flow, brokerage, agency commission and underwriting profits should start as soon as interest rates return to a more normal level. Any movement of sterling to a more realistic value would be an added bonus.

The development of the network of overseas subsidiaries through organic growth and acquisitions has priority in the allocation of group resources.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Bankers' Inv. Tst. 3rd int.	0.55	May 30	0.5	—	2.88
Barton & Sons	2.2	—	*1.64	3.6	*2.56
East Rand Consd.	1.05	May 30	1.05	1.05	1.05
Erith	5	June 2	4.07	7.0	6.14
Highld. Distill'ries int.	0.8	June 9	0.55	—	2.1
Rowan & Boden	1.31	—	0.87	2.21	1.47
Small & Tidmas	2	July 9	2.9	4	4

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Barton £0.6m off year end

PRE-TAX profits of Barton and Sons, were down from a record £3.94m to £3.33m for 1979, the directors pointing out that loss of profit due to the engineering dispute is estimated to be in excess of £0.5m.

Turnover expanded from £43.35m to £51.2m.

Profits at the interim stage were virtually unchanged at £2.05m (£2.01m) and directors were hopeful that second half results would be similar to the first.

The full year's figure was also affected by higher interest charges of £525,000, against £246,000.

As forecast there is an increase in the final dividend from an adjusted 1.6419p to 2.2p to give a total of 3.6p (2.5586p) net per 25p share. Also proposed is a one-for-ten scrip issue.

After tax for the year of £992,000 (£999,000) earnings are shown as 10.7p (13.4p) per share.

	1979 £000	1978 £000
Turnover	51,201	43,347
Tubing and foundry	21,402	20,375
Engineering	22,278	20,072
Ind. services	7,521	2,900
Profit†	3,852	4,183
Tubing and foundry	1,507	1,589
Engineering	1,128	1,978
Ind. services	1,217	618
Interest	525	246
Profit before tax	3,327	3,937
Tax	992	999
Dividends	797	575
Extraord. debit	23	423
Retained	1,515	1,940

† Includes associates' share £30,000 (nil).

Results of the industrial services division increased following the acquisition of the PRA commercial vehicle accessories company last September, and a full year from acquisitions made in 1978, the directors explain.

● comment

Shares in Barton were unchanged yesterday at 43p despite the disappointment implicit in an overall dividend rise of 41 per cent. The interim had, after all, been increased by 53 per cent but the £500,000 loss incurred during the engineers' dispute fell in the second half and obviously reduced Barton's ability to produce similar increase in the final dividend. That does, however, leave a backlog to be made up this time given reasonable recovery. Yet the historic yield of 12.6 per cent and a fully taxed p/e of 5.9 are taking an ambivalent view of the prospects of resumed growth this year and the balance sheet will show that gearing has risen quite steeply and a substantial cash outflow may act as something of a brake on recent diversification activity. Aluminium Die Castings, hit hard by the strike, is capable of doubling its ten month contribution of £120,000 and PRA chipped in just £90,000 in the four months since its acquisition last September. The Canadian subsidiary's earnings were hit by exchange conversion but still managed "useful" growth to reach around £800,000 but the market has softened since the turn of the year. It may be left to the industrial services division to make much of the running this time although there is no immediate sign of a downturn in either tubes or engineering. In the meantime the yield is well protected by cover of 1.4 times CCA earnings and, in the background, Staveley retains a holding of 11 per cent.

Crosby House anticipates return to profit in 1980

WITH THE major reorganisation started in 1978 now substantially completed, Crosby House Group has been restored to profitability, shareholders are told in the annual report.

The continuing receipt of compensation instalments from Sri Lanka has also improved liquidity, say the directors, and against this financial background they feel their prority is to enhance the stability and breadth of the group's earnings.

Although they are cautious in the current economic climate, they believe a modest profit should be achieveable in 1980.

As reported on April 3, the freight, warehousing, container repair and general trading group turned in a pre-tax loss of £55,000 for 1979 after an exceptional loss of £138,000 arising from activities terminated in 1978. In the previous year, there was a profit of £234,000.

The directors say that a second container storage and repair depot in London and a cold store in the Liverpool warehouse have commenced operations.

UK COMPANY NEWS

BIDS AND DEALS

U.S. purchase lets BTR into fast-growing field

BTR, the fast growing rubber and plastics and engineering group, is adding to its interests in the U.S. with the purchase of Adamas Carbide Corporation, of Kenilworth, New Jersey, for $10m (£4.68m) cash.

Adamas, which manufactures cemented carbide cutting tools from tungsten, titanium, and other hard metals, is thought to have sales of around $20m and after-tax earnings of some 10 per cent.

Mr. Owen Green, managing director of BTR, said yesterday that the acquisition—which is being made through BTR Inc (U.S.A.)—fits in with the group's philosophy in an area where there are few companies operating.

He estimates the volume of business to be growing at about 10-15 per annum. The growth in demand has been accelerated by the introduction of exotic metal alloys in the aerospace industry which require hard-cutting tools.

Adamas products are distributed worldwide from operating facilities in the U.S., Holland and the UK. Mr. Green said the Dutch operation provides another opening in Europe and the chance to expand in several other areas.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

Interims—Ferry Pickering, North Atlantic Securities, Perera Sores.1 Serurite Engineering.

Finals—Ash and Lacy, Slackwood Hodge, Croda International, Danish Bacon, Dreamland Electrical Appliances, Empire Stores, Gill and Duffus, Greenbank Industrial, Guardian Royal Exchange Assurance, Helene of London, S. Jerome, Pearl Assurance, Ruberoid, Triplevest, Vimtron.

FUTURE DATES

Interims—	
Baggeridge Brick	May 14
Davenports Brewery	May 8
Halstead (James)	April 11
Finals—	
Automotive Products	Apr. 10
B.S.G. International	Apr. 23
Bifurcated Engineering	Apr. 10
Catalin	Apr. 11
Coral Leisure	Apr. 17
Dewhirst (I. J.)	Apr. 16
Finlay Packaging	Apr. 10
Grampian Television	Apr. 24
Hestair	Apr. 25
Holyrood Rubber	Apr. 16
Hongkong (Selangor) Rubber	Apr. 16
Hoskins and Horton	Apr. 25
Kuala Selangor Rubber	Apr. 16
London Pavilion	Apr. 15
Martin (Albert)	Apr. 17
Menzies (John)	Apr. 23
Photax (London)	Apr. 15
Revertex Chemicals	Apr. 21
Richards (Leicester)	Apr. 14
Tilbury Contracting	Apr. 10
United Capitals Invest. Trust	Apr. 11
Wilkins and Mitchell	Apr. 16

GLASSERTON RAISES OFFER FOR LIT

Following last week's offer by Factory Buildings (City) of 13p for each ordinary share in London Intercontinental Trust, the offer by Glasserton Company is to be raised from 12p to 14p per share, on the same terms as previously announced.

The agreement to purchase 26.79 per cent of the LIT equity is now at 14p and is conditional, at the option of Glasserton, upon a further 24.21 per cent of the issued capital being acquired pursuant to the general offer.

LOUIS C. EDWARDS

Avonmiles, a wholly-owned Gulliver Foods subsidiary, on April 8, acquired 75,000 ordinary in Morgan Edwards as a result of exercising an option. These Mordan shares have been assented to the share offer from LCE, and Gulliver Foods has ceased to have any interest in Morgan shares.

The total interests of Gulliver Foods and its associates in LCE, pursuant to the share offer for Morgan, are: The percentages are based on the total LCE issued ordinary shares and convertible preference shares, respectively, that will arise as a result of the acquisition of 100 per cent of the Morgan issued shares, holding of LCE ordinary 5,106,687 (20.3 per cent). Options outstanding on LCE ordinary 1,649,999 (6 per cent); holding of LCE convertible preference, 353,850 (33.1 per cent).

NO PROBES

The following mergers are not to be referred to the Monopolies and Mergers Commission: Baker Perkins Holdings/84.8 per cent of Pavailler SA, of Valence, France; Tricentrol Industrial Corporation/R. and G. Cuthbert; and Ward White Group/Childs Corporation.

YULE CATTO INVESTS MORE IN NORTH SEA

Yule Catto, the industrial and commercial group, has increased its holding in Gas and Oil Acreage Limited (GOAL) to 20.6 per cent, which represents a total cost of £3.5m. The investment has been financed largely from cash resources and by realising some of the group's other investments.

GOAL, which was founded in 1973, is active in the North Sea where it holds a small interest in the Buchan Field. This field is expected to move into production by the end of 1980.

AVANA BUYS INTO BEVERAGE MARKET

Avana, the Cardiff-based food group, is entering the beverage market with the purchase of a private company, Costa Rica Coffee. Avana is paying £200,000 through the issue of 165,290 ordinary shares.

Costa Rica Coffee, which is also based in Cardiff, made profits before tax of around £30,000 on sales of £300,000 last year. The company distributes roast and ground coffee, as well as smaller quantities of tea.

Avana's managing director, Dr. John Randall, said the purchase is consistent with the group's strategy of developing high quality products at the top end of the food market.

Hoffnung moving towards new period of growth

THE £15.9m bid by Australian conglomerate, Burns Philp, has again been vigorously rejected by the Board of the defending group, S. Hoffnung.

In a letter to its shareholders posted yesterday—four days before Philp's extended offer closes — Hoffnung vehemently refutes the bidders suggestion that the defenders will be asking for a fresh capital subscription if the offer is withdrawn.

Hoffnung asserts that after the many changes that have taken place in the group over the last 12 months, "we are now on the verge of new and sustained growth."

No further provisions will be required against the closure of the Sydney and Brisbane warehouses, and the cash to be released from wholesaling and from surplus properties is yet to be reinvested.

Philps has pointed to the possibility that Hoffnung would be in default of the 12 per cent convertible unsecured loan stock deeds if the sale of the wholesaling operations constituted a change of use.

Hoffnung, in turn, comments that the trustee of the loan stock has "authorised it to be stated that, on the basis of the information so far provided to it by the company, the trustee considers that in the present circumstances it would not be appropriate for steps to be taken to seek repayment of the stock."

"Furthermore, the only lenders to the group whose loan agreements contain cross-default clauses have expressed the view that such a default, if established, is technical only and have agreed to waive their right of repayment in that event," Hoffnung adds.

WARD WHITE

Agreements relating to Ward White Group's acquisition of Childs Corporation have now become unconditional in all respects and have been completed.

Property Units Trusts issues

The Pension Fund Property Unit Trust is making a new offer of units at £2.075 each to yield 5.2 per cent.

During 1979 the Trust's distributions rose from £84 to £104 per unit. Total return on the units (capital and income combined), was 24 per cent.

PFPUT is invested in 127 properties with a net annual income of £11.5m. The percentage of the portfolio by value where rents are subject to review by the end of 1985 is 94 per cent.

On February 21 the total value of PFPUT was £248.6m, split as to offices 31.9 per cent; shops 12.8 per cent; industrial properties 14.5 per cent; agricultural land 23.9 per cent; overseas properties 5.5 per cent; and cash 11.4 per cent.

Pension Fund Agricultural Property Unit Trust is making an issue of units at a net price of £1,375. On the basis of the last two distributions the units yield 3.7 per cent.

The Trust has recently negotiated the purchase of land adjoining its farm in Lincolnshire which will be leased to the existing tenant.

At the year-end the Trust's portfolio comprised six let farms, providing a wide spread of investment totalling 2,270 acres.

At February 29, properties purchased by the fund had an aggregate cost of £2.54m and an open market value of £2.98m.

Dan-Air launch fly-and-drive

DAN-AIR, the independent airline, and car rental company Eurocar, have launched a new fly-and-drive scheme aimed at business travellers.

Passengers travelling on a domestic Dan-Air route will be able to book their flight and hire car at the same time, and the car can be left at an office other than the collection point.

SHARE STAKES

MARLEY—P. A. Winfield, director, has disposed of 15,000 ordinary shares.

Harris Queensway Group—I. A. Horwood, director, has acquired 7,500 ordinary; P. C. Harris has disposed of 7,500 ordinary.

Alexander Howden Group—A. D. Sheed, director, has disposed of a non-beneficial interest in 25,000 ordinary.

Hambro Life Assurance—M. S. Lipworth no longer has an interest in 630,000 shares as a trustee.

Titaghur Jute Factory—H. B. Ireland and Co., together with an associate, is the registered holder of 83,500 ordinary (5.85 per cent).

Andrew R. Findlay Group—Beneficial interest of Dawnay Day Group in the ordinary shares reduced to 828,036, or from 15 per cent to 13.8 per cent.

House of Fraser—The trustee interest of G. Willoughby, director, as a trustee of the House of Fraser group profit-linked share plan for employees, is now 1,177,711 ordinary.

Gillett Brothers Discount—Iron Trades Employers Insurance Association has acquired as beneficial owner 150,000 ordinary shares and now holds more than 5 per cent of that class.

Australian and International Trust — Refuge Assurance Co. holds 300,000 ordinary shares (5 per cent).

Cardiff and Provincial Properties — Control Securities has acquired a holding of 48,137 shares (approx. 10.19 per cent).

Johnson Matthey and Co. — Prudential Assurance Co. holds 2,953,365 shares and Charter Consolidated 14,970,935 shares.

Anglo Argentine Tramways Co. — Establishment Plamhult has bought 40,000 shares making holding 490,000 (12.25 per cent).

Guinness Peat Group — Compagnie De l'Occident pour la Finance et l'Industrie S.A. are interested in 3,961,626 ordinary shares (6.025 per cent).

Assam - Dooars Holdings — As a result of recent purchases Western Dooars Tea Holdings now holds 182,955 ordinary shares (17.93 per cent).

Modern Engineers of Bristol (Holdings) — Dr. I. W. Adler now has a beneficial interest in 511,873 ordinary shares—17.1 per cent. Mr. L. B. Wyatt and Mr. R. J. Taylor have an interest in 286,874 ordinary shares—9.6 per cent as executors, jointly with Mr. J. O. Adler, of the will of the late Mr. A. J. Taylor.

Browne and Tawse — Mr. S. Henderson disposed of 3,553 ordinary shares.

Rightwise — Jazerite Holdings disposed of 100,000 to its wholly owned subsidiary R. E. A. Holdings, but remains interested in 755,620 shares 52.9 per cent. Rea Holdings also acquired 100,000 shares on March 31, making its total interest 200,000 shares 14 per cent. This holdings is included in the total interest of Jazerite.

BANK RETURN

	Wednesday April 8 1980	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	44,621,513	+ 16,105,996
Special Deposits	131,836,000	—
Bankers Deposits	550,788,203	+ 107,408,704
Reserves & other Accounts	649,324,512	— 44,277,250
	1,391,185,156	+ 79,267,458
ASSETS		
Government Securities	563,546,810	+ 66,045,000
Advances & Other Accounts	552,180,359	+ 52,079,184
Premises Equipment & Other Secs.	361,649,038	— 51,044,984
Notes	15,512,126	+ 3,161,035
Coin	254,762	— 2,783
	1,391,163,155	+ 79,267,462
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	10,100,000,000	+ 250,000,000
In Circulation	10,086,487,814	+ 246,838,965
In Banking Department	13,519,126	+ 3,161,055
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	7,678,064,756	+ 35,179,428
Other Securities	2,410,920,144	+ 613,820,572
	10,100,000,000	+ 250,000,000

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
AKZ C	F.22.50	—	—	33	1.70	25	2	F.22.60
AKZ C	F.25	—	—	5	0.70	25	1.10	"
AKZ P	F.22.50	—	—	—	—	36	5	"
AKZ P	F.22.50	3	5	—	—	—	—	"
ARB C	F.60	—	—	—	—	5	1.50	F.54.30
HEI C	F.65	—	—	5	7.50	—	—	F.71.10
HEI C	F.70	6	5.20	—	—	—	—	"
HEI C	F.75	10	1	20	2.20	30	3.30	"
HEI P	F.60	—	—	3	1.60	—	—	"
HEI P	F.70	—	—	6	4.50	—	—	"
HEI P	F.75	—	—	—	—	4	9	"
HO C	F.17.50	—	—	—	—	5	2.50	F.18.10
ISM C	$75	—	—	—	—	4	¾	$65⅝
KLM C	F.60	4	2.70	5	6.20	—	—	F.61
KLM C	F.70	3	0.10	30	2	1	4	"
KLM C	F.80	—	—	5	0.60	105	1	"
KLM P	F.60	10	1.70	2	4.90	—	—	"
KLM P	F.70	11	9	1	10.50	—	—	"
NN C	F.110	1	0.60	10	2.60	10	4.60	F.107
NN C	F.116	—	—	10	1.40	—	—	"
NN P	F.120	1	15.20	—	—	—	—	"
PET C	Fr.5000	3	60	—	—	—	—	Fr.4750
PET C	Fr.6000	—	—	1	60	1	230	"
PHI C	F.17.50	50	0.80	3	1.30	62	1.80	F.18.10
PHI C	F.20	170	0.10	32	0.30	80	0.80	"
PHI C	F.22.50	—	—	—	—	10	0.50	"
PHI P	F.17.50	—	—	4	1.40	10	1.40	"
PHI P	F.20	—	—	20	2.50	5	2.60	"
RO C	F.140	66	9.60	2	12.30	—	—	F.148.80
RO C	F.145	103	6	—	—	—	—	"
RO C	F.150	505	2	38	6	—	—	"
RO C	F.160	190	0.20	17	2.50	11	4.70	"
RO C	F.170	—	—	184	1.10	50	2.40	"
RO P	F.140	10	0.50	11	3.20	—	—	"
RO P	F.145	205	1.40	—	—	—	—	"
RO P	F.150	305	3.60	28	11.50	11	14	"
RO P	F.160	25	11.60	10	17	4	21	"
RO P	F170	5	20	4	26.50	3	27	"
UNI C	F.110	—	—	4	2.30	—	—	F.104.30
UNI C	F.115	—	—	10	1.20	—	—	"
UNI C	F.120	—	—	30	0.60	—	—	"
		May		Aug.		Nov.		
BA C	$60	4	1⅞	—	—	—	—	$54¼
BAS C	DM.130	—	—	1	9.50	—	—	DM136.70
BAS C	DM.140	1	2	1	4.50	—	—	"
BAS C	DM.150	—	—	1	2.50	—	—	"
BMW C	DM.120	1	5	1	8.50	—	—	DM126.20
BMW C	DM.130	1	1.50	1	4	—	—	"
BMW C	DM.140	—	—	1	1.60	—	—	"
SIE C	DM.260	—	—	3	12	—	—	DM250
SLB C	$120	3	¾	—	—	—	—	$100
VEB C	DM.160	—	—	6	3	—	—	DM142.20
VW C	DM.170	4	12.20	—	—	—	—	DM177.20
VW C	DM.180	—	—	—	—	5	10	"

TOTAL VOLUME IN CONTRACTS 3017

C=Call P=Put

MIM wins big coal contract

AUSTRALIA'S major producer of base metals, the Queensland-based MIM Holdings, bas announced its first major coal export project. A deal has been signed with Japanese steel mills for the sale of some A$700m (£351m) worth of MIM coking coal from the Collinsville open-cut and underground operations which are being expanded.

Sbipments are to run for 15 years, benning in 1984, at the rate of 1m tonnes a year througb a new port to be built at Abbot Point near Bowen. MIM has already built a new coal washing plant which can he extended to handle 1m tonnes a year.

The coal price basis agreed is believed to he U.S. $52 to $53 per tonne with provision for escalaction during the contract. MIM recently announced a more than threefold increase in half-year earnings to A$93.8m and raised its interim dividend to 12 cents (6p) from 4.5 cents. The shares rose 4p to 206p yesterday.

Union Miniere lifts payment

BELGIUM'S Union Miniere mining and investment group announces its first dividend increase for five years. It is of BFr 100 to BFr 500 (£7.43) per full share and reverses the decline which followed a payment of BFr 950 for 1974.

Profit figures for 1979 are not yet disclosed, but the company says that a recovery in earnings was largely attributable to better prices for coppar and the sale of accumulated copper stocks. Investment revenue showed only a modest increase, but money on deposit earned significantly more thanks to high interest rates.

The Canadian Thierry copper mine bas achieved a cash flow of C$7m which leaves it with only a small accumulated loss after allowing for amortisation. The U.S. Jersey Miniere Zinc, however, bas suffered from the weak market for zinc.

Following a new agreement with its partner, Continental Materials of Chicago, UM says that work is to be resumed at the Oracie Ridge copper property in Arizona. In Brazil, UM's diamond production was slightly higher last year.

An interest of 17.6 per ceot in UM is held by Tanks Consolidated, the shares of which rose 2p to 238p yesterday. The one-tenth shares of UM were unchanged at £12.

MINING NEWS

Gold earnings advance 44% in the March quarter

BY KENNETH MARSTON, MINING EDITOR

AN ADVANCE of an average 44 per cent in net profits after tax—the latter rose hy 60.5 per cent—is reported for the March quarter of this year by the South African gold producers in the Consolidated Gold Fields Group.

The latest earnings reflect an average gold price received of $634 per troy ounce compared with $400 in the December quarter of 1979 and the averaga for that year of only $300.

At the same time, tha mines bave continued the trend to mining lower grade ore with the result that while the ore tonnage millad has heen fully maintained for the most part, there bas been some decline in production of gold. Working costs on average have risen by 5.6 per cent in the psat quarter but the combined effect of this coupled with the lower prodnction has been hrushed off by the high gold price.

The past quarter's hrilliant earnings, shown below, speak for themselves. They now include the first full quarter's net profit from the new Deelkraal mine which completed trial milling in December.

	March R000s qtr.	Dec. R000s qtr.	Sept. R000s qtr.
Deelkraal	2,870	—	—
Doornfontein	12,588	8,234	5,754
East Driefontein	61,189	48,506	36,715
Kloof	41,469	27,896	20,447
Libanon	15,441	8,431	6,830
Venterspost	6,815	4,011	2,010
Vlakfontein	1,092	671	406
West Driefontein	64,375	44,740	38,951

Venterspost says that in view of its improved finances, it is considering the sinking of a new shaft from surface in the sonthern part of the property. This, it is stated, would substantially rednce travelling time underground and significantly improve ventilation at this deep and alderly mine.

The mines also mention the removal of the 10 per cent loan levy in South Africa, outlinad in the recent budget. For East Driefontein and Vlakfontein, the abolition of the levy takes effect from January 1 this year. For the other mines in the group it becomes effective as from July 1, last year. The removal of the levy has been estimated to raise distributable profits by around 12 to 14 per cent.

London to deal in Hemerdon

DEALINGS sre expected to start in London on Monday under rule 163(2) in the U.S. 10 cents shares of the Bermuda-registered Hemerdon Mining and Smelting. They will be sponsored by Carr, Sebag and Co. Hemerdon has some 5m shares.

At this stage, the likely starting price of the shares on Monday is very much a matter of conjecture as is the probable amount of business to be dona in them. Guesses are that price could fall within the $2.50 to 4.50 region and that not a great deal of business will be seen.

Hemerdon is an enigma. The Devonshire tungsten-tin property at Hemerdon Ball, near Plymouth, which is a joint project of Hemerdon Mining and Smelting and America's Amax natural resource giant bas the potential to become Britain's biggest metal mine supplying all the country's needs of tungsten (wolfram) which now has to be imported.

Ore reserves were last pnt at 40m tonnes in bard granite and 5m tonnes in overlying oxidised friable material which presents recovery prohlems owing to its clay content. The metal grades are low st about 0.17 per cent tungsten and 0.025 per cent tin. But the deposit, which is amenable to large-scale open-pit mining is still open at depth. It is thought that it could break even with tungsten prices at about balf current levels.

What remains to he seeo is whether the metallurgical process can achieve the desired minimum overall metal recovery rate of abont 60 per cent—laboratory tests have been encouraging — whether metal prices remain satisfactory and whether environmental and legal problams can be successfully overcome.

If all goes well the big mine conld cost around $60m in today's terms, but a long road strewn with hurdles lies ahead. Amax is not due to make the vital go-ahead decision until next June, then would follow public inquiries until the final planing permission stage was reachad at about end-1982. Construction work would follow and the mine would not reach the production stage until the early months of 1984.

GOPENG GROUP TIN OUTPUTS

Malaysia's Gopeng Consolidated produced 161½ tonnes of tin concentrates last montb bringing the total for the past six months to 989½ tonnes. In the same period of 1978-79 the mine produced 970¼ tonnes of concentrates.

Output at Pengkalen continues to outstrip that of the corresponding period of a year ago. Production for the six months reached 90 tonnes compared with 41 tonnes in the same period in 1978-89.

Figures from the other Gopeng group producers are detailed in the accompanying table:

	March tonnes	Feb. tonnes	Jan. tonnes
Gopeng	151½	152½	158¾
Tanjong	15¾	7¾	10½
Idris	18¾	18¾	18¾
Pengkalen	13¾	12½	16¾

ROUND-UP

Conzinc Riotinto of Australia and Kitcbener Mining (formerly Leopold Minerals) have concluded an agreement for the exploration and avaluation of the Bamboo Creek gold mining leases in Western Australia held by Kitchener. CRA is to start field work on the leases in tha immediate future.

* * *

Amax, the U.S. international natural resources group, has declared a quarterly dividend of 60 cents, unchanged from the previous quarter wben it was increased from 45 cents per common share. The dividend is payable on June 2 to holders on May 12.

Tbe struggling nickel and copper-producing BCL operation of Botswana RST is expected to be able to meet its loan obligations as a result of better metal prices and production. But it is stressed that no dividends can be declared in the foreseeable future owing to accumulated losses and the beavy debt burden.

* * *

East Rand Consolidated, the London-registered investment group, announced net profits for 1979 of £278,879 compared with £198,158 in 1978. The dividend for the year is unchanged at 1.05p.

The company also states that it has decided to make a rights issue and that an extraordinary meeting will be convened to increase the capital.

Amalgamated Tin Mines of Nigeria says thst its reduction of capital is expected to become effective on April 11. Warrants for the capital repayment of 9p per share and for the second interim dividend of 3p net for the year to March 31, 1980, are due to be posted on or about April 21 to shareholders on the register on April 11.

Mixconcrete well ahead first quarter

FIRST-QUARTER profits of Mixconcrete (Holdings), building materials group, were well ahead of last year, Mr. J. Mackaness, chairman, told members at tha annual meeting.

However, the contracting industry was in advance of its programme and the company was likely to experience falling demand by the final quarter of the current year, and certainly in 1981, he added.

Tha directors expect the full year's profit to be comparable with the £2.31m, pre-tax, for the November 30, 1979, year.

Clydesdale Bk. plans wider branch network

A continued expansion in the Clydesdale Bank's branch network is forecast by Sir Robert Fairbairn, the chairman, in bis annual statement. "Activity in our branch expansion arises from a continuing increase in our business and there is no doubt that the banking habit is growing," be states.

Referring to the development programme for the bank's 24-hour Autobanks, the chairman says that 22 units are operational with many more in the course of installation or preparation.

As known, pre-tax profits of the bank, which is part of the Midland Bank group, rose some 49 per cent to £30.86m for 1979. Total sssets st the year-end were almost 23 per cant higher at £1.39bn.

Demand for lending continued at a high level throughout the year despite high interest rates resulting in total advsnces to customers, less provisions, up by £164.44m to £835.71m st the end of 1979. Deposits increased by £199.17m to £1.09bn.

Meeting, Glasgow, April 9, at 11.15 am.

First half downturn at Pyke

Although turnover rose by £0.46m to £4.15m, taxable profits of Pyke (Holdings), butchery concern, dropped to £10,274 for the half year to December 31, 1979, compared with £33,634.

The profits were struck after depreciation of £39,710 (£30,891) and a sharp increase in interest charges from £35,582 to £61,367.

Earnings per 10p share are shown as 1.34p (4.4p) before tax, and as 0.64p (2.11p) after the same. Again no interim dividend is recommended—last year a single payment of 1p net was made from £52,005 pre-tax profits.

Tax for the balf year was down from £17,490 to £5,342.

Pirelli General setback

Pre-tax profits of Pirelli General Cable Works tumbled from £7.89m to £2.43m in 1979, on increased sales of £108.89m, against £90.97m.

Interest charges of the group, which is controlled by Internationale Pirelli SA, jumped from £0.7m to £2.15m.

On a CCA basis, the group incurred a loss of £2.5m. At midway, when historic profits amounted to £1.85m (£3.38m), the directors reported s loss of £0.6m on a current cost basis.

The fall in profits, the directors explain, was due to the transport strike, the absence of substantial home oil filled cable contracts, increased competition in export markets, installation losses overseas and higher finance charges.

Sales rose because of the effects of inflation, the increase in the average price of copper and some improvement in volume, both home and export.

There was a tax credit of £1.51m (£0.95m charge) in line with SSAP 15. Dividends absorbed £1m (£1.5m).

The pre-tax surplus was struck after depreciation of £2.72m (£2.33m) and interest.

WINDING-UP ORDERS RESCINDED

Compulsory winding up orders against J. K. Tudor House (Holdings) made on March 17, Claveria Estates (March 24) and Hotel Tokyo (London) (March 31), were rescinded by Mr. Justice Dillon in the High Court. The petitions were dismissed with the agreement of the petitioners.

A similar order made against JLO Systems on March 31 was rescinded and the petition was adjourned until April 21.

LETRASET EGM

An extraordinary meeting of Letraset International is being called at which shareholdars will be asked to approve the changing of the company's name to Letraset Ltd.

REPORTS AND ACCOUNTS IN BRIEF

BANRO CONSOLIDATED INDUSTRIES (manufacturer of framed windows, rolled sections, pressings, car body components and decorative trim)—Results for 1979 and future prospects published March 20. Group fixed assets £3.15m (£2.25m), net current assets £2.45m (£2.05m). Increase in working capital £246,688 (£348,321 decrease), decrease in net bank balances £681,585 (£859,686 increase). Meeting, Wishaw, Sutton Coldfield, May 2, noon.

CITY AND COMMERCIAL INVESTMENT TRUST—Results for 1979-80 year already known. Total investments £13.39m (£12.52m). Net current assets £355,728 (£988,569). Chairman anticipates another satisfactory year's income, although increase may not be as great as last year. Meeting, 117, Old Broad Street, EC, April 30, noon.

CITY AND FOREIGN INVESTMENT COMPANY—Results for 1979 already known. Total investments £2.55m (£2.45m); Net current liabilities £15,171 (assets £9,480). Meeting, 117, Old Broad Street, EC, April 28, 2.30 pm.

INVERESK GROUP (paper group)—Results for 1979 reported March 19 in preliminary statement with prospects. Group fixed assets £10.12m (£12.42m). Net current assets £9.47m (£8.06m). On CCA basis, historic profits turned into pre-tax loss of £1.23m (£476,000). Meeting, Connaught Rooms, WC, April 25, noon.

ISLE OF MAN ENTERPRISES (Holiday chalets operator)—Results for year to October 31, 1979, already known. Fixed assets £596,845 (£410,483), net current assets £51,665 (£107,487). Decrease in working capital £23,526 (£15,234), decrease in liquid funds £31,242 (£67,020 increase). Chairman states that a five-year development programme has been formulated to provide growth and income from existing assets and possible acquisitions. Planning permission has been sought to redevelop old fire-damaged area. Meeting, Isle of Man, April 28, at noon.

PITTARD GROUP (leather tanner and dyer)—Results for 1979 and prospects published March 15. Group fixed assets £4.23m (£3.84m), net current assets £5.99m (£4.72m). Increase in bank balances £549,417 (£486,291 reduction). Meeting, Yeovil, May 7, noon.

GEORGE SPENCER (knitwear manufacturer)—Results for year ended December 29, 1979, reported March 19. Group fixed assets £3.75m (£3.59m), current assets £5.51m (£4.76m), current liabilities £3.09m (£2.22m). Shareholders' funds £6.11m (£5.99m). Comparatives restated. Chairman says company's current manufacturing order books and sales do not make depressing reading and looks forward to opportunities which must follow the present recession. Meeting, Nottingham, May 2, noon.

TATE OF LEEDS (vehicle distributor)—Results for 1979 reported March 21. Group fixed assets £2.36m (£2.04m). Net current assets £60,743 (£213,282 liabilities). Meeting, Leeds, April 24, 3 pm.

TRANSPORT DEVELOPMENT GROUP—Results for 1979 reported March 14 preliminary statement with prospects. Group fixed assets £134.63m (£127.68m). Net current assets £8.15m (£5.49m)—on CCA basis fixed assets £180.3m (£166.5m). Pre-tax profits on CCA basis £14.77m (£13.51m). Chairman's emoluments £47,059 (£39,233). Meeting, Great Eastern Hotel, EC, April 25, noon.

هكذا من الأصل

COMPANY NEWS

Beatson, Clark to cut costs

IN ORDER to achieve a more satisfactory return on capital employed, the priority of Beatson Clark and Co. for 1980 is to reduce operating costs, says Mr. David Clark, chairman, in his annual statement.

A significant reduction in wage and salary costs has been made since the beginning of the year and, although this has affected present levels of output, he is confident current productivity negotiations and the capital expenditure programme will enable the group to achieve output comparable with 1979 without proportional increases in wages and salaries.

The anticipated lok growth of the economy during the year is unlikel yto provide many opportunities for the sale of additional glass containers in the UK, he feels. Further increases in the prices of raw materials, fuel and packaging are expected and the group intends to lift its own prices by 7½ per cent in April and an appropriate amount in October.

As known, 1979 pre-tax profits of the glass container manufacturer fell from £2.38m to £1.68m on turnover of £22.45m (£20.67m) of which £8.06m (£5.48m) represented export sales. Net current assets rose from £3.04m to £6.75m and working capital increased by £1.82m (£1.17m). Bank borrowings were reduced by £1.59m (£2.13m increase).

While he does not expect the action now being taken will result in significant improvements in the first six months of the year, Mr. Clark forecasts that they will influence second half results.

Meeting, Hallam Tower Hotel, Sheffield, May 1 at 12.30 pm.

Allen Harvey seeks European growth

The Board of Allen Harvey and Ross, banker and bill broker, believes that there is great potential for new business in Europe in sterling and other currencies, and the company plans to develop its considerable contacts in Europe accordingly, and operations for that area will be based in Amsterdam.

The company already has strong European links and has a partnership in the Eurodollar CD market with Ehrlich-Bober and Co. Incorporated, and the first year's working together produced a satisfactory increase in turnover.

Mr. A. J. Buchanan, in his first report as chairman, says the future dividend policy will be determined by the eventual course of interest rates. If the UK Government succeeds in lowering the rate of inflation, he says the company should be able to plan a gradual increase in dividend payments.

It is impossible to make any forecasts at present, he adds, and until interest rates are stabilised at lower levels, the first priority must be to conserve financial resources.

As known, net profits for the year ended February 5, 1980, were up from £585,553 to £653,216.

BN INSURANCE

BN Insurance of Chelmsford, a member of the London Merchant Securities Group, has increased its authorised share capital to £5m with the paid-up capital doubled to £2m. At the same time, its name is being changed to the Lion Insurance Company.

Thurgar Bardex confident

The directors of Thurgar Bardex, maker of plastic products, start this year with cautious optimism and are confident that their plan for continuing growth in 1980 will be achieved, says Mr. Gilbert Hunt, the chairman, in his annual statement.

The first three months of the company's trading year very rarely reflect accurately the trend for the remainder, he points out.

Taxable profits for 1979 fell from £449,000 to £391,000, on turnover of £6.54m against £5.68m.

The directors anticipate that they will be able to announce their recommendation for the company's capital structure at the annual meeting, which will be held at its Kettering head office on May 1 at 11.30 am.

Gold Fields Group

MARCH QUARTERLIES

All companies mentioned are incorporated in the Republic of South Africa

DOORNFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 9,828,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1980	Qtr. ended 31/12/1979	9 mths ended 31/3/1980
Gold:			
Ore milled (t)	360,000	360,000	1,080,000
Gold produced (kg)	3,024.0	3,024.0	9,072.0
Yield (g/t)	8.4	8.4	8.4
Price received (R/kg)	15,334	10 354	11,361
Revenue (R/t milled)	129.53	87.47	95.89
Cost (R/t milled)	37.52	36.10	36.28
Profit (R/t milled)	92.01	51.37	59.81
Revenue (R000's)	46,631	31,490	103,559
Cost (R000's)	13,509	12,996	39,176
Profit (R000's)	33,122	18,494	64,383
FINANCIAL RESULTS (R000's):			
Working profit: Gold	33,122	18,494	64,383
Net sundry revenue	901	695	2,167
Profit before taxation and State's share of profit	34,023	19,189	66,550
Taxation and State's share of profit	21,436	10,955	39,974
Profit after taxation and State's share of profit	12,588	8,234	26,576
Capital expenditure	1,188	1,771	4,343
Dividend	—	1,966	1,966

DIVIDEND: A dividend (No. 46) of 20 cents (10.88649p) per share was declared on 11 December 1979 and was paid to members on 5 February 1980.

LOAN LEVY: As announced by the Minister of Finance on 26 March 1980, the loan levy of 10 per cent has been abolished. In respect of this company, the abolition is effective from 1 July 1979.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 31 March 1980 was R71.1 million.

PROPOSED EXTENSION TO MINING LEASE AREA: The application made by Gold Fields of South Africa Limited ("GFSA") for a mining lease in respect of the area held under option by this company is still being processed by the authorities. The agreement with GFSA, in terms of which this company has the right to purchase the mineral rights of the option area and to take cession of the mining lease, if and when it is granted, has been extended to 30 June 1980.

CAPITAL WORKS: Work in preparation for the sinking of No. 1 Sub-Incline Shaft has commenced.

DEVELOPMENT:			
Carbon Leader			
Advanced (m)	3,903	3,683	11,159
Sampling results:			
Sampled (m)	808	898	2,319
Stope width (cm)	106	105	106
Av. value: gold (g/t)	14.3	14.1	14.2
cm.g/t	1,519	1,481	1,505
Main Reef			
Advanced (m)	803	789	2,433
Sampling results:			
Sampled (m)	148	210	882
Stope width (cm)	114	114	119
Av. value: gold (g/t)	4.2	9.9	7.9
cm.g/t	479	1,129	897

On behalf of the board

R. A. Plumbridge, C. T. Fenton — Directors

8 April 1980

VENTERSPOST GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 5,050,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1980	Qtr. ended 31/12/1979	9 mths ended 31/3/1980
Gold:			
Ore milled (t)	320,000	322,000	969,000
Gold produced (kg)	1,571.1	1,657.2	4,804.4
Yield (g/t)	4.9	5.1	5.9
Price received (R/kg)	16,525	11,033	11,562
Revenue (R/t milled)	81.63	57.11	59.63
Cost (R/t milled)	34.53	32.73	33.00
Profit (R/t milled)	47.10	24.38	26.63
Revenue (R000's)	26,121	18,389	57,784
Cost (R000's)	11,049	10,539	31,980
Profit (R000's)	15,072	7,850	25,804
FINANCIAL RESULTS (R000's):			
Working profit: Gold	15,072	7,850	25,804
Profit on sale of pyrite	267	210	671
Net sundry revenue	364	238	1,321
Profit before taxation	15,703	8,298	27,796
Taxation	8,888	4,287	14,960
Profit after taxation	6,815	4,011	12,836
Capital expenditure	293	29	344
Dividend	—	3,283	3,283

DIVIDEND: A dividend (No. 79) of 65 cents (35.38108p) per share was declared on 11 December 1979 and was paid to members on 5 February 1980.

LOAN LEVY: As announced by the Minister of Finance on 26 March 1980, the loan levy of 10 per cent has been abolished. In respect of this company, the abolition is effective from 1 July 1979.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 31 March 1980 was R1.5 million. In view of the improved financial position of the company, consideration is being given to the possibility of sinking a new surface shaft in the southern sector of the mine. Such a shaft would substantially reduce travelling time underground and significantly improve ventilation conditions at the bottom of the mine.

DEVELOPMENT:			
Main Reef			
Advanced (m)	898	1,128	3,479
Sampling results:			
Sampled (m)	469	500	1,450
Stope width (cm)	160	169	160
Av. value: gold (g/t)	5.1	4.9	4.6
cm.g/t	819	828	736
Ventersdorp Contact Reef			
Advanced (m)	64	94	221
Sampling results:			
Sampled (m)	36	2	38
Stope width (cm)	153	144	153
Av. value: gold (g/t)	3.2	2.4	3.2
cm.g/t	490	346	490

On behalf of the board

C. T. Fenton, R. A. Plumbridge — Directors

9 April 1980

VLAKFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 6,000,000 shares of 80 cents each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1980	Qtr. ended 31/12/1979
Gold:		
Ore milled from surface dumps (t)	180,000	180,000
Gold produced (kg)	196.9	211.2
Yield (g/t)	1.1	1.2
Price received (R/kg)	18,159	10,926
Revenue (R/t milled)	19.94	12.86
Working cost (R/t milled)	5.24	5.25
Rock purchased (R/t milled)	1.32	0.33
Profit (R/t milled)	13.38	7.28
Revenue (R000's)	3,590	2,314
Working cost (R000's)	944	945
Rock purchased (R000's)	238	59
Profit (R000's)	2,408	1,319
FINANCIAL RESULTS (R000's):		
Working profit: Gold	2,408	1,310
Net sundry revenue	117	140
Profit before taxation	2,525	1,450
Taxation:		
Formula tax	1,393	722
Non-mining tax	34	35
Excess recoupments tax	6	22
Profit after taxation	1,092	671
Capital expenditure recoupments (net)	4	17
Loan levy	—	72
Dividend	—	1,200

DIVIDEND: A dividend (No. 71) of 20 cents (10.88649p) per share was declared on 11 December 1979 and was paid to members on 5 February 1980.

LOAN LEVY: As announced by the Minister of Finance on 26 March 1980, the loan levy of 10 per cent has been abolished. In respect of this company, the abolition is effective from 1 January 1980.

CAPITAL EXPENDITURE: There were no capital expenditure commitments at 31 March 1980.

PROPOSED REPAYMENT OF CAPITAL: At the annual general meeting to be held on 11 April 1980 members will be asked to consider a special resolution reducing the authorised and issued capital from the present amount of 80 cents per share to an amount of 70 cents per share, by returning paid-up capital to the extent of 10 cents per share to members registered in the books of the company on 27 June 1980. Subject to the passing and registration of the special resolution; to the reduction of capital being confirmed by the Supreme Court of South Africa, and to the exchange control authorities granting approval for the transfer of funds, in acceptable form, for repayments due to non-residents of the Republic, it is expected that the repayment will be made in August 1980.

On behalf of the board

C. T. Fenton, R. A. Plumbridge — Directors

8 April 1980

WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 14,082,160 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1980	Qtr. ended 31/12/1979	9 mths ended 31/3/1980
Gold:			
Ore milled (t)	675,000	675,000	2,025,000
Gold produced (kg)	11,812.5	12,711.4	37,406.9
Yield (g/t)	17.5	18.8	18.5
Price received (R/kg)	16,424	10,670	11,731
Revenue (R/t milled)	289.22	201.93	217.78
Cost (R/t milled)	35.03	32.91	33.60
Profit (R/t milled)	254.19	169.02	184.18
Revenue (R000's)	195,221	136,304	441,002
Cost (R000's)	23,645	22,216	68,031
Profit (R000's)	171,576	114,088	372,971
Uranium Oxide:			
Pulp treated (t)	298,631	302,269	914,300
Oxide produced (kg)	69,174	71,299	215,130
Yield (kg/t)	0.232	0.236	0.235
FINANCIAL RESULTS (R000's):			
Working profit: Gold	171,576	114,088	372,971
Profit on sale of Uranium Oxide and Sulphuric Acid	2,459	2,345	14,221
Net sundry revenue	3,639	2,724	9,676
Profit before taxation and State's share of profit	177,674	119,157	396,868
Taxation and State's share of profit	113,299	74,417	250,802
Profit after taxation and State's share of profit	64,375	44,740	146,066
Capital expenditure	3,408	3,120	9,087
Dividend	—	42,246	42,246

DIVIDEND: A dividend (No. 54) of 300 cents (163.29730p) per share was declared on 11 December 1979 and was paid to members on 5 February 1980.

LOAN LEVY: As announced by the Minister of Finance on 26 March 1980, the loan levy of 10 per cent has been abolished. In respect of this company, the abolition is effective from 1 July 1979.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 31 March 1980 was R24.4 million.

CAPITAL WORKS: At No. 4 Shaft, the excavation of the pumping layout on 12 Level is virtually complete. The excavation of the pumping layout on 4 Level is progressing well. Good progress is also being made with the construction of the 26 Level pump station at No. 9 Sub-Vertical Shaft.

DEVELOPMENT:			
Carbon Leader			
Advanced (m)	5,541	5,131	15,487
Sampling results:			
Sampled (m)	606	476	1,454
Stope width (cm)	116	108	114
Av. value: gold (g/t)	22.4	15.1	20.9
cm.g/t	2,598	1,631	2,371
Ventersdorp Contact Reef			
Advanced (m)	1,345	1,665	4,662
Sampling results:			
Sampled (m)	278	300	974
Stope width (cm)	222	201	203
Av. value: gold (g/t)	9.3	10.9	8.9
cm.g/t	1,399	2,191	1,807
Main Reef			
Advanced (m)	224	5	268
Sampling results:			
Sampled (m)	12	Nil	12
Stope width (cm)	126	—	126
Av. value: gold (g/t)	6.9	—	6.9
cm.g/t	869	—	869
North Leader			
Advanced (m)	31	Nil	31
Sampling results:			
Sampled (m)	12	—	12
Stope width (cm)	105	—	105
Av. value gold (g/t)	3.6	—	3.6
cm.g/t	378	—	378

North Leader Reef: Exploratory development has been started on the North Leader Reef horizon in the No. 5 West Sub-Vertical Shaft area.

On behalf of the board

A. Louw, R. A. Plumbridge — Directors

8 April 1980

LIBANON GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 7,937,300 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1980	Qtr. ended 31/12/1979	9 mths ended 31/3/1980
Gold:			
Ore milled (t)	420,000	420,000	1,260,000
Gold produced (kg)	2,883.0	2,999.6	9,032.9
Yield (g/t)	6.9	7.1	7.2
Price received (R/kg)	15,668	10,341	11,291
Revenue (R/t milled)	108.25	74.31	81.40
Cost (R/t milled)	30.35	30.31	30.02
Profit (R/t milled)	77.90	44.00	51.38
Revenue (R000's)	45,466	31,210	102,560
Cost (R000's)	12,748	12,731	37,828
Profit (R000's)	32,719	18,479	64,732
FINANCIAL RESULTS (R000's):			
Working profit: Gold	32,719	18,479	64,732
Net sundry revenue	805	669	2,097
Profit before taxation and State's share of profit	33,523	19,148	66,829
Taxation and State's share of profit	18,082	9,717	35,127
Profit after taxation and State's share of profit	15,441	9,431	31,702
Capital expenditure	4,038	2,795	9,373
Dividend	—	3,969	3,969

DIVIDEND: A dividend (No. 58) of 60 cents (27.21622p) per share was declared on 11 December 1979 and was paid to members on 5 February 1980.

LOAN LEVY: As announced by the Minister of Finance on 26 March 1980, the loan levy of 10 per cent has been abolished. In respect of this company, the abolition is effective from 1 July 1979.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 31 March 1980 was R27.9 million.

SHAFTS:

No. 4 Sub-Vertical Shaft (previously No. 2 Sub-Vertical Shaft): The shaft was sunk 14 metres to a depth of 1,204 metres below collar. 39 Level Station has been cut and supported.

No. 1A Service Shaft: Equipping of the shaft has been completed and the permanent hoisting equipment is being installed.

No. 4A Service Shaft (previously No. 2A Service Shaft): Excavation of the headgear portion of the shaft is in progress.

DEVELOPMENT:			
Main Reef			
Advanced (m)	2,613	3,401	9,095
Sampling results:			
Sampled (m)	804	900	2,288
Stope width (cm)	135	138	137
Av. value: gold (g/t)	4.9	4.5	4.7
cm.g/t	626	621	644
Ventersdorp Contact Reef			
Advanced (m)	1,271	1,421	4,195
Sampling results:			
Sampled (m)	66	184	466
Stope width (cm)	133	154	147
Av. value: gold (g/t)	2.0	12.9	8.2
cm.g/t	266	1,987	1,205
Elsburg Reef			
Advanced (m)	163	532	1,341
Sampling results:			
Sampled (m)	106	74	274
Stope width (cm)	203	207	224
Av. value: gold (g/t)	4.9	7.4	5.9
cm.g/t	995	1,532	1,120
Kimberley Reef			
Advanced (m)	Nil	62	251
Sampling results:			
Sampled (m)	—	—	22
Stope width (cm)	—	—	145
Av. value: gold (g/t)	—	—	4.2
cm.g/t	—	—	609

On behalf of the board

R. A. Plumbridge, C. T. Fenton — Directors

8 April 1980

NOTE:

Copies may be obtained from the United Kingdom Registrar: Close Registrars Limited, 803, High Road, Leyton, London, E10 7AA

DEELKRAAL GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 99,540,000 shares of 20 cents each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1980
Gold:	
Ore milled (t)	150,000
Gold produced	507.3
Yield (g/t)	3.4
Price received (R/kg)	16,928
Revenue (R/t milled)	57.20
Cost (R/t milled)	39.59
Profit (R/t milled)	17.64
Revenue (R000's)	8,580
Cost (R000's)	5,934
Profit (R000's)	2,646
FINANCIAL RESULTS (R000's):	
Working Profit: Gold	2,646
Net sundry revenue	224
Total Profit	2,870

	Qtr. ended 31/3/1980	Qtr. ended 31/12/1979
Capital expenditure	2,025	7,907

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 31 March 1980 was R4.7 million.

CAPITAL WORKS:

No. 1 Sub-Vertical Shaft: The north man winder on 7 Level has been commissioned. Excavation of the south man winder chamber, the installation of the rock winder and raise boring of the waste passes are in progress. Development from this shaft is expected to commence during the current quarter.

DEVELOPMENT:		
Ventersdorp Contact Reef		
Advanced (m)	3,678	4,473
Sampling results:		
Sampled (m)	342	1,038
Stope width (cm)	168	175
Av. Value: gold (g/t)	3.9	3.9
cm.g/t	638	683
Deelkraal Reef		
Advanced (m)	929	508
Sampling results:		
Sampled (m)	546	378
Stope width (cm)	157	159
Av. Value: gold (g/t)	3.1	4.1
cm.g/t	487	652

In addition 52 metres were advanced in the area held under prospecting permit. 44 metres were sampled on the Deelkraal Reef horizon averaging 7.2 grams per ton over an estimated stope width of 181 centimetres, equivalent to 1,303 cm.g/t.

On behalf of the board

R. A. Plumbridge, C. T. Fenton — Directors

9 April 1980

EAST DRIEFONTEIN GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 54,519,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1980	Qtr. ended 31/12/1979
Gold:		
Ore milled (t)	630,000	630,000
Gold produced (kg)	9,922.2	11,697.2
Yield (g/t)	15.7	18.6
Price received (R/kg)	17,262	10,732
Revenue (R/t milled)	273.32	200.34
Cost (R/t milled)	32.63	31.42
Profit (R/t milled)	240.69	168.92
Revenue (R000's)	172,192	126,217
Cost (R000's)	20,555	19,794
Profit (R000's)	151,637	106,423
FINANCIAL RESULTS (R000's):		
Working profit: Gold	151,637	106,423
Net sundry revenue	2,999	2,912
Profit before taxation and State's share of profit	154,636	109,335
Taxation and State's share of profit	93,447	60,829
Profit after taxation and State's share of profit	61,189	48,506
Capital expenditure	3,621	8,522
Loan levy	—	4,530
Dividend	—	65,412

DIVIDEND: A dividend (No. 13) of 120 cents (65.31892p) per share was declared on 11 December 1979 and was paid to members on 5 February 1980.

LOAN LEVY: As announced by the Minister of Finance on 26 March 1980, the loan levy of 10 per cent has been abolished. In respect of this company, the abolition is effective from 1 January 1980.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 31 March 1980 was R81.3 million.

SHAFTS:

No. 2 Sub-Vertical Shaft: Equipping of the headgear portion of the shaft and installation of the hoists are in progress. 12 metres of preliminary sinking has been carried out.

No. 1B Service Shaft: Equipping of the shaft is complete and installation of the hoist is nearing completion.

No. 2A Service Shaft: Excavation of the initial layout has started.

DEVELOPMENT:		
Main Reef		
Advanced (m)	389	306
Sampling results:		
Sampled (m)	48	30
Stope width (cm)	167	267
Av. value: gold (g/t)	5.9	1.9
cm.g/t	835	507
Ventersdorp Contact Reef		
Advanced (m)	2,135	2,072
Sampling results:		
Sampled (m)	476	664
Stope width (cm)	149	132
Av. value: gold (g/t)	19.0	10.1
cm.g/t	2,682	1,333
Carbon Leader		
Advanced (m)	2,256	2,745
Sampling results:		
Sampled (m)	354	290
Stope width (cm)	120	122
Av. value: gold (g/t)	9.7	11.4
cm.g/t	1,164	1,391

On behalf of the board

R. A. Plumbridge, C. T. Fenton — Directors

9 April 1980

KLOOF GOLD MINING COMPANY LIMITED

ISSUED CAPITAL: 30,240,000 shares of R1 each, fully paid.

OPERATING RESULTS:	Qtr. ended 31/3/1980	Qtr. ended 31/12/1979	9 mths ended 31/3/1980
Gold:			
Ore milled (t)	520,000	530,000	1,590,000
Gold produced (kg)	7,533.9	7,975.7	23,686.5
Yield (g/t)	14.5	15.0	14.9
Price received (R/kg)	19,225	10,491	11,519
Revenue (R/t milled)	236.59	158.77	172.53
Cost (R/t milled)	37.59	35.52	35.86
Profit (R/t milled)	198.97	123.25	136.67
Revenue (R000's)	123,012	84,151	274,326
Cost (R000's)	19,546	19,826	57,028
Profit (R000's)	103,466	65,325	217,298
FINANCIAL RESULTS (R000's):			
Working profit: Gold	103,466	65,325	217,298
Net sundry revenue	2,072	1,573	5,203
Profit before taxation and State's share of profit	105,538	66,898	222,501
Taxation and State's share of profit	64,069	39,002	132,689
Profit after taxation and State's share of profit	41,469	27,896	89,812
Capital expenditure	4,270	4,025	10,844
Dividend	—	24,192	24,192

DIVIDEND: A dividend (No. 20) of 80 cents (43.54595p) per share was declared on 11 December 1979 and was paid to members on 5 February 1980.

LOAN LEVY: As announced by the Minister of Finance on 26 March 1980, the loan levy of 10 per cent has been abolished. In respect of this company, the abolition is effective from 1 July 1979.

CAPITAL EXPENDITURE: The unexpended balance of authorised capital expenditure at 31 March 1980 was R36.9 million.

SHAFTS:

No. 3 Shaft: An accident in No. 3 Shaft has caused serious damage to the steelwork and the shaft will be out of commission while repairs are carried out. This will adversely affect shift times in the No. 3 Sub-Vertical Shaft.

No. 3 Sub-Vertical Shaft: Work preparatory to sinking of the shaft is still in progress.

No. 3A Service Shaft: The shaft was sunk 60 metres to a depth of 285 metres below collar. The excavation and support of 27 Level Station have been completed.

OPERATIONS: Production was adversely affected by a high seasonal turnover of black labour.

DEVELOPMENT:			
Ventersdorp Contact Reef			
Advanced (m)	6,535	6,792	20,312
Sampling results:			
Sampled (m)	114	84	270
Stope width (cm)	142	153	147
Av. value: gold (g/t)	17.0	17.8	17.9
cm.g/t	2,414	2,723	2,587
Kloof Reef			
Advanced (m)	88	Nil	88
Sampling results:			
Sampled (m)	16	—	19
Stope width (cm)	162	—	162
Av. value: gold (g/t)	10.1	—	10.1
cm. g/t	1,636	—	1,636

On behalf of the board

R. A. Plumbridge, C. T. Fenton — Directors

9 April 1980

NORTH AMERICAN NEWS

International Paper profits squeezed

BY IAN HARGREAVES IN NEW YORK

INTERNATIONAL PAPER, the world's largest poper company, eaw profits squeezed in the first quarter of this year, despite continued heavy demand for most of its products.

Net earnings, et $89m for the quarter, were almost halved from lost year's $177.6m, but the 1979 figure swollen by the proceeds of the sale of e mill and timberland in Florida. Without this extraordinary gain, earnings in the first quarter of this year showed e 7 per cent gein on 1979. Sales were up 16 per cent ot $1.24bn.

The only areas of weakening demand in the quarter were for sales of lumber and plywood. Last year, wood products and resourcee accounted for 17 per cent of the company'e total sales, although International Paper bas recently expanded its operations in this field.

Dr. Edwin Gee, the chairman, seid thet despite a widely forecast recession, shipments to customers were strong for almost all product lines through the first quarter of 1980. However production achedules at some wood products fecilities were curtailed.

The other cource of pressure on margins was eteeply rising energy costs. Dr. Gee explained that, in 1979, cost increases of 15 per cent bad been well ahead of price increases." We expect coets to increase more rapidly than prices again 1980," he said.

The outlook for the rest of the year was clouded by economic uncertainty, he went on, but the company bes not so fer suffered the drop in demand for coneumer reletsd paper products whicb most industry analysts were predicting at the end of last year.

The company is committed to a heavy programme of capital investment, which will total $4bn between 1979 and 1983.

So fer, it bas heen ahle to finance this progremme without recourse, to the credit markets. Although Dr. Gee said in the company's annual report that such external financing would be necessary mid-way through the programme.

Last year, the company raised $300m witb a sale of preferred stock in the largest private placement of preferred stock with institutional investors ever made.

American Standard predicts higher gain

NEW YORK — American Standerd, manufacturer of building and traneport products, has hardened up its forecasts for this yeer. It now expects to report at least a 30 per cent gain in first-querter earnings from the $34m, or $2.42 o shere, in last year's comperable period, seid Mr. William A. Marquard, chairman and chief executive. Seles for the first quarter have risen by ehout 16 per cent from last year's $582m. At least half the first-quarter earninga increase come from gains on foreign excbange transactione.

In last year's first querter the company reported a gain on foreign exchange of $400,000, or 2 cents a ohare. In the remaining quarters of this year "we don't see the same rate of gein io foreign exchange," eaid Mr. Marquard.

In the opening quarter, the transport producte unit recorded strong gains in sales and earnings heceuse of a continuing high level of domestic and overseaa demend for its oir hrakes end gears for railroed engines and frelgbt cars, signel systems to control railroed traffic and hraking systems for heavy trucks.

The lorry brake manufacturing operations in the UK were not affected by the steel strike. "There hes been eoough steel available to keep truck production going."

If there is a recession in the U.S. this year, oeles of transportation prnducts should remain strong because of record becklogs.

Despite e slowdown in housing sterts, earninge of the building producte group rooe in the first quarter. Earnings were belped by continued strength in the U.S. commercial construction market and by a bigh level of commercial huilding renovation end home remodelling. Foreign markets also showed strength.

The gain in eales this year "shonld run at close to the bistoric rate" hut profits might not iocrease et the same rate. In the past five years, American Standard's sales increased by 14 per cent e year while earningo grew by 31 per cent. In 1979, the company earned $132.2m or $9.52 a shares on $2.43bn eales.

AP-DJ

Hammermill Paper opens year on firm note

By Our Financial Staff

A NEAR DOUBLING of profits in the first quarter at Hammermill Paper reflects the company's decreased dependence on expensive energy sources, said Mr. Alhert F. Duval, the president.

Favourable business conditions and improved productivity elso belped earnings, which rose from $6m to $11.5m, or from 76 cents to $1.46 a share. Sales of $274.7m compared with $229.8m in the first quarter of last year.

Business remained generally strong and operations continued at a higher level during tbe early weeks of the second quarter.

In the 1979 second quarter, Hammermill earned $9.1m, or $1.44 a share on sales of $252.1m.

For the whole of 1979, Hammermill earned $4.47 a ehare, compared with $3.36 a share in the preceding year. But a sharp decline i nearnings in 1980 has been predicted on Wall Street, mainly because of the expected slowdown in the U.S. economy.

Goodyear expects dip in first quarter earnings

AKRON — Goodyear Tire & Robber, the world's largest tyre manufecturer, expects to report first quarter profit close to the $43.2m or 60 cents a share earned inthe fourth quarter of 1979, said Mr. Charles J. Pilliod Jr., the chairman, following yesterday's annual meeting. Ha said that the profit might slightly exceed the fourth quarter level, but did not make a specific forecast.

In the 1979 first quarter, Goodyear earned $54m or 74 cents a share.

In response to a question from e shareholder, Mr. Pilliod indicated that the board would try to maintain the current quarterly dividend of 32½ cents, but he declined to rule out a cut. He said thta the board had tried to take a long-range view and indicated after the meeting that no change was imminent in the dividend rate.

Mr. Pilloid expected the economy to continue to worsen but that was optimistic thet tha coming recession would not be as dep as that of 1974-75.

Prospects for the company'e U.S. tyre husiness were not as encouraging as those for overseas sales, said Mr. Pilliod.

Foreign sales and earnings, which were at record levels in 1979, were continuing their momentum and were "even accelerating thie year." About 40 per cent of Goodyear's sales are outside the U.S.

Most of Goodyear'e non-tyre businesses in the U.S. remain strong, with particularly good results for its cbemical end aerospace operations.

Agencies

INTERNATIONAL BONDS

Straight dollar issues advance

BY FRANCIS GHILÈS

STRAIGHT DOLLAR bond prices moved up by a full point on averege wben Eurobond markats reopened after the Easter holidays yesterday. The strong currency sectors displayed contradictory movements as Deutsche-Mark foreign bonds shed ¼ of a point on the deys while Swiss franc foreign bonds posted gaine of up to ¼ of a point.

Though the volume of buying remains fairly smell in the dollar sector, a number of dealers note that Swiss banks end investors are steedy buyers of etraight dollar bonds again, e marked reversel of the attitude which has prevailed for more then a year now. At the same time, the scarcity of new fixed interest dollar-deuominated honds in recent months means thet prices of individual issues move up quickly in response to any real investor demand.

Investors may also hava been encouraged yesterday by the fall in Eurodollar rates. Six-month ibor was down by ⅛ per cent to 19⅟₁₆ per cent.

British Airways has arranged a 12-year $125m floeting rate note issue which bas been placed privately with a gronp of international banks under the leadership of S. G. Warburg.

The terms are identical with the very fine ones set on e similar $100m issoe last October. They provide for interest et ⅛ per cent above the three-month Libor rate. Investors heve the option to convert the paper into fixed rate notes with a coupon of 9 per cent et any interest dete. The notes hear a UK Treasury guarantee.

The airline will use the proceeds to purchese capital equipment. This is thus e routine commercial operation and does not imply any shift away from the UK government policy of steadily redncing public sector foreign debt.

In the Deutsche Merk foreign bond sector, Deutsche Bank is arranging a DM 150m public issue which carries e coupon of 10 per cent for Asian Development Bank. This ten-year hullet maturity issue has been priced at par. Thus, despite the state of complete languor in the secondary Deutsche Mark bond market, new issues offering yields of 10 per cent are welcomed by investors.

A eign of the lean times on the new issue front comes in the letest weekly Bulletin from Kredietbank which is entirely devoted to the pros and cons of investing in art and antiques. Mayba the conclusion of the study applies to those who have assiduously invested in new bonds during the past 12 months.

"Investing in art and antiques is rather complex but fascinating. It can be rewarding, both eesthetically and financially, provided the investor bas no illusions, collects in e critical spirit, with loving patience and knowledge, and has plenty of luck into the bargain."

First Charter Financial lending declines

By Our Financial Staff

A SHARP drop in lending is reported by First Charter Financial, which owns the third largest U.S. savings and loans association, operating over 90 offices in California. The company's lending volume amounted to $143m in the first qnarter of its current fiscal year, compared with 262.2m in the corresponding period e year ago end $355.9m in the 1979 fourth quarter.

Earlier, the company announced that first-quarter net operating earnings totalled only $12.02m, eqoal to 40 cents a share, on revenues of $236.7m. Net earnings for the same period of the previons year were $21.6m, or 73 cents a share, on revenues of $191.1m.

Mr. S. Mark Taper, chairmen, said the lower earnings reflect the rise of short-term rates mnch faster than long-term lending rates. The average rate earned on the real estate loan portfolio, he added, has not risen at a pace equal to the increase in rates paid on savings and borrowings.

Last week the company indicated in its annual report that sharply lower earnings were expected for the first half of 1980 though no estimate was given of how mnch profits wonld be affected by record money costs. The company added, however, that quarterly dividend payments should not be affected by any dowturn.

Net earnings for the whole of fiscal 1979 totalled $90.8m or $3.05 a share.

High finance costs end takeover boom

By Stewart Fleming in New York

THE TAKEOVER wave whicb gripped corporate America in the four years beginning in 1976 has clearly petered ont under the pressure of rising financlng costs and deteriorating corporate llquidity.

W. I. Grimm, the Chicago merger consultancy which tracks acquisltion announcements, said yesterday that in the first quarter of 1980 merger annouocements declined by 29 per cent to 411 compared with the first quarter of 1979. It was the lowest quarterly total merger count for 10 years and the sbarpest decline in merger aetivity since the first quorter of 1975, wben announcements fell by 34 per cent.

The Grimm statistics moy well understate the decline in merger completions, since they reflect only announcements of the intention to merge ond many deals are not completed.

Grimm said that the rising prime lending rate, coupled with the Federal Reserve's warning to member hanks to restrain financing of takeovers, hod impeded merger activity.

One chief characteristic of the merger boom which developed after the 1975 recession was the high proportion of such transactions financed with cash. This not only reflected high corporate liquidity and readily available credit but also the depressed level of stock prices and investore' preference for cash transactions.

These conditions have changed dramatically in the past few months. Corporate llquldity is again nnder pressure as the ecooomy weakens ond finance is both less readily available and, with the prime rate at 20 per cent, very expensive.

هكذا من الأصل

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 8

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	82½	87⅞	+0⅞	−0¼	13.38
Alex Howden XW 9½ 91	30	66	68	0	+0¼	16.01
Australian Res. 9¾ 84	30	84¼	84¾	+0¼	+0¼	14.68
Avco O/S Cap. 10¾ 87	40	74¾	75¾	−0¼	+0¼	16.45
Beneficial Fin. 9¾ 87	100	80	80½	+0½	+0¼	14.26
CECA Grad. Rate 12 86	100	88¾	89½	+0½	+0⅜	14.61
CECA 11⅛ 90	50	86⅜	86⅞	+0⅜	+0¼	14.22
Canadian Pacific 9¾ 89	50	81⅛	81⅝	+0¼	+0⅜	13.40
Carter Hawley 9¾ 86	50	81½	82	+0¼	+0⅜	14.34
Comalco Inv. E. 10¾ 91	40	81½	82	+1¼	+0¼	13.46
Continental Grp. 9⅝ 86	100	81⅛	81⅝	+0½	+0¼	14.27
Dome Petroleum 10 94	50	77½	78	−0⅜	−0⅜	13.59
Dominion Bridge 10¼ 84	30	87¼	87¾	+0¼	+0½	14.39
EIB 11⅛ 92	80	86⅛	86⅝	+1⅛	+1⅛	14.17
EIB 10.15 99	100	†74½	75⅛	+0½	+0¼	14.41
Ekportfin 11⅛ 87	50	88⅞	89⅜	+0⅞	+0⅜	13.82
Export Dv. Cpn. 9¼ 84	100	84⅞	85⅛	+1	+0⅞	14.59
Export Dv. Cpn. 8¾ 84	150	84⅞	85⅜	+0⅛	+0⅜	14.51
Finland 9⅜ 89	100	†76⅛	76⅜	+0⅜	+0¼	14.79
GTE Finance 9⅝ 89	55	86⅛	80⅜	+0¼	+0⅛	13.58
GMAC 9¾ 86	100	81⅛	81⅝	+0½	+0¼	13.87
GMAC O/S Fin. 11 84	100	89⅞	90⅜	+0⅜	+0⅜	13.96
Gould Int. Fin. 9¾ 85	50	84⅜	84⅞	+0¼	+0⅛	14.39
ITT Antilles 9½ 89	75	78¼	78⅝	+0¼	+0¼	13.82
Kennecott Int. 8¾ 89	100	80¾	81¼	+1⅛	+0¼	14.37
Manitoba 9½ 89	75	78¼	78¾	+0⅜	+0⅜	13.83
Michelin 10 84	125	77⅞	78⅜	+2¼	+1⅛	13.65
Nat. Gas. Telecm. 9¾ 86	100	82	82½	+0½	+0¼	13.84
New Brunswick 8¾ 84	75	74½	75	+0⅞	+0¼	16.95
Newfoundland 10 94	50	79⅜	79⅞	+1⅛	+0⅜	13.28
Norges Komm. 9⅞ 99	100	†74	74½	+1⅛	+0⅞	14.16
Norway 9½ 84	150	85⅛	85⅝	+1⅛	+0¼	14.40
Nova Scotia Pwr. 9¾ 89	50	80⅜	80⅞	+0¼	+0⅜	13.57
Occidental Fin. 10⅛ 84	50	†87	87½	+0⅛	+0¼	14.52
Pennwalt O/S F 9¾ 84	25	85⅛	85⅝	+0¼	+0⅛	14.67
Pepsico Cap. 9¼ 84	180	85½	86	+0⅜	+0¼	14.24
Quebec Hydro 10 99	75	78	78½	+0⅞	+0½	13.51
Sears Roebuck 8 82	150	[illegible]	[illegible]	+0¼	+0⅜	15.30
Statoil 9¾ 89	180	80¼	80¾	+1½	+1	13.38
Sweden 9¾ 89	160	80⅛	80⅝	[illegible]	[illegible]	[illegible]
Sweden 9½ 86	200	†83¾	84¼	+2¼	+3	13.91
Sweden 9¼ 84	100	[illegible]	85⅛	+0⅞	+0⅝	14.41
Unilever NV 9¼ 87	100	80⅛	80⅝	+0⅜	+0¼	13.59
Warner-Lambert 8 84	100	84	84½	+0⅞	+0⅜	14.16

Average price changes .. On day +0⅞ on week +0½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	89¾	90½	−0⅜	+0⅜	9.90
Asian Dev. Bk. 7¼ 89	100	80¼	80⅞	−0⅜	0	10.64
Australia 8¼ 90	250	93⅝	94⅛	−1	−1	8.06
Barclays O'seas 6¾ 89	100	79⅞	80⅞	−0¼	−0¼	10.10
BFCE 7¼ 87	100	80⅝	81⅛	−0⅜	+0¼	6.61
BFCE 6¼ 95	100	87⅛	87¾	−1¼	+0⅜	9.75
Brazil 8 87	150	87	87¾	−0¼	−0⅞	10.54
CECA 7 91	150	83¼	84	+0⅜	+0¼	8.46
Council of Eur. 7¾ 89	100	86¼	87⅛	+0¼	−0⅛	8.42
Denmark 7¾ 86	100	[illegible]	90½	+0¼	+0⅜	10.23
Denmark 8¼ 92	100	86⅜	87⅜	−0⅜	−0⅜	10.14
EEC 7⅞ 94	225	86¼	87½	−0½	−0⅜	9.53
EIB 7½ 89	200	86½	87¼	+1½	+1⅛	8.72
Finland Rep. of 8 86	150	91⅛	91⅞	0	0	8.77
Kobe, City of 7¾ 89	150	82¼	82⅞	−0¼	−0¼	10.06
Nederl. Gasunie 6 86	100	[illegible]	[illegible]	+1⅛	−0¼	8.50
New Zealand 7⅛ 87	200	85⅞	86⅜	+0⅜	0	9.80
Norges Komm. 7¾ 91	150	86⅞	87⅜	−0⅞	−0¼	9.71
Norway 7½ 85	250	92⅞	93⅛	−0¼	−0½	9.44
OKB 7⅛ 89	100	[illegible]	93⅛	+0⅛	+0⅛	10.17
Oslo, City of 8¾ 90	80	93½	94½	−1⅛	−1⅛	8.71
World Bank 7¾ 81	400	93½	94½	+0⅛	+0⅛	10.18
World Bank 7⅞ 90	250	88	88⅝	+0⅛	0	9.77

Average price changes On day −0⅛ on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	97	87½	+0⅛	0	7.45
Aumar 5 89	80	85½	86	+1⅛	−0¼	7.10
Australia 3¾ 89	250	81⅞	82¼	+2½	+1¼	8.31
Bergen, City of 4¾ 91	00	83½	84½	+0¼	−0¼	6.83
BNOE 5 88	75	78	78¾	−3	−3¾	8.44
BMW Overseas 4¾ 91	100	84	84½	−1⅛	−2⅜	6.18
Caisse Nat. Tels. 4¾ 89	100	84½	84⅞	+0¼	−0⅜	0.87
CCCE 5¾ 90	100	96	68½	+0⅞	0	6.27
Copenhagen 4½ 91	60	76¾	77¼	+0⅜	−1⅛	7.56
Council of Eur. 5 89	100	88	88½	+3	+1⅛	8.89
EIB 4½ 91	100	79¼	79¾	+0⅜	+0¼	7.23
EIB 4¾ 94	100	78¾	79	+0¼	+0⅜	0.71
Elec. de France 4¾ 89	100	86⅛	86¾	+1	+0⅜	6.34
GZB 4¼ 89	100	83½	84	−1	−1	0.59
Hitrl 4½ 91	35	88	88½	−1¼	−1¼	5.86
Int.-Amer. Dev. 4½ 88	100	80⅜	81¾	+0¼	−0⅛	7.38
Jutland Tele. 5½ 90	50	93½	94⅛	−0½	−0⅞	0.33
Malaysia 5 89	80	84¼	84¾	−0⅜	−0⅜	7.31
Nippon Tel. & T. 4¼ 89	100	85¼	86¼	+0⅛	−0⅜	6.33
Nordic Bank 5 89	45	87	87⅛	−8	−1½	6.90
Norges Komm. 4¾ 91	100	80	80½	−0¼	−0⅜	6.91
OKB 3¾ 91	100	74½	75	−2	−1⅞	7.15
OKB 4¾ 91	100	80¼	80¾	+0¼	−0¼	9.88
OKB 8 90	100	98	98½	−1	−0⅞	6.24
Oslo, City of 4¾ 91	100	79¾	80¼	+0⅜	+0¼	[illegible]
Shikoku El. Pwr. 4¾ 89	100	86	88½	+2	−1¼	0.46
Stowege 4¾ 91	80	†85	85½	+0⅜	0	6.65
Voest-Alpine 4¾ 89	80	86¼	86¾	+0¼	+0¼	6.78
World Bank 4¾ 89	100	88	85⅞	−1	−1⅛	6.91
World Bank 4¾ 89	150	81	81½	+0⅜	−0¼	7.17
World Bank 4⅝ 91	100	80	80½	−0⅜	−1	7.12

Average price changes... On day +0⅛ on week −0¼

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.8 83	30	81½	82½	−0⅛	−0⅜	12.14
Australia 6½ 88	20	73	74	+0⅛	+0⅜	11.71
EIB 7¾ 89	12	79½	80½	0	0	11.29
Finland 5.6 83	10	80⅜	81⅛	−1⅞	+0⅜	12.52
Finland 6.8 88	10	74	75	−0⅜	0	11.84

Average price changes On day −0⅛ on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin 10¾ 86 C$	25	78	79	−1½	−1	10.01
Bell Canada 10¾ 86 C$	60	85⅜	85⅞	0	0	14.25
Cr. Foncier 10⅛ 84 C$	30	84⅞	85½	−0⅛	−0⅜	15.16
Ex. Dev. Cpn. 10 84 C$	50	85⅜	85⅞	−0¼	−0½	14.81
Fst. Can. Inv. 10 84 C$	50	84⅞	85⅜	−0⅜	−0⅜	15.10
Hudson Bay 10½ 89 C$	60	78⅛	78¾	−0¼	+0¼	15.00
Quebec 10¾ 86 C$	50	82½	84⅛	+0⅞	+0½	14.58
R. Bk. Canada 10 86 C$	40	84⅞	85⅛	0	−0⅛	13.81
R. Bk. Canada 10 94 C$	40	75⅞	76⅞	+0⅛	−0⅛	14.05
Copenhagen 8¾ 91 EUA	20	†87	89	0	0	10.59
M. Bk. Dnmk. 8 91 EUA	25	†89½	91½	+0½	+0¼	10.43
SOFTE 8¾ 89 EUA	40	†82	84	0	0	11.36
U. Bk. Nrwy. 9½ 90 EUA	18	†97	98½	−0¼	−0⅛	9.86
Algemene Bk. 8⅛ 84 Fl	75	81⅜	81⅞	+0⅜	+0¼	10.89
Ned. Gasunie 8⅝ 84 Fl	50	90¾	91¼	+1½	+1⅛	11.53
Ned. Middbk. 8¾ 84 Fl	75	91	91¾	+2¼	+1⅛	11.04
Norway 8¼ 84 Fl	100	90¾	91¼	+0¾	+0½	11.16
Norway 8⅞ 84 Fl	100	91⅛	91⅝	+0⅝	+0⅛	10.87
Phillips Lamps 8¾ 84 Fl	75	91½	92	+1	+0⅛	11.02
Air France 11 84 FFr	120	90½	81½	+1⅞	+1⅛	13.79
CECA 14⅛ 86 FFr	150	100	100¾	+2	+2⅛	14.15
Euratom 9¾ 87 FFr	150	80⅛	81	+0⅞	+0½	14.18
Finland 11 84 FFr	80	88⅞	89⅝	+1⅛	+1⅛	14.34
Finland 11⅛ 89 FFr	70	84⅞	85	+0⅜	+0⅜	14.54
Gaz de France 11 84 FFr	150	90⅝	91⅜	+2¼	+2¼	13.73
IBM France 11⅞ 84 FFr	120	90½	91⅛	+1	+0⅜	14.55
Renault 9¾ 85 FFr	100	81⅞	82⅝	−0⅜	−0⅛	14.82
Saint-Gobain 9¾ 86 FFr	130	80½	81⅛	+0⅜	0	14.89
Solvay et Cie 9¾ 87 FFr	125	77	77⅜	−0½	−0½	15.20
Citicorp O/S 13⅛ 90 £	50	90¼	91	+0¼	+0⅜	15.38
EIA 11⅛ 81 £	25	82⅞	83⅞	+1⅛	+1⅛	14.58
Finance for Ind. 13 81 £	15	87⅞	88⅜	+1	+0⅛	15.26
Fin. for Ind. 12½ 89 £	30	86	86⅞	+1⅛	+0⅜	16.32
Fin. for Ind. 14½ 86 £	20	95	86	+0⅜	0	15.51
Gen. Elec. Co. 12½ 89 £	50	89⅛	90⅛	+0⅜	+0⅛	14.64
Indonesia 8¾ 91 KD	7	†93	93½	0	0	8.75
Mitsubishi 7½ 84 KD	10	†89⅜	90⅝	+0⅛	0	10.43
Norges Kom. 7½ 89 KD	12	†93¼	93⅞	0	0	8.53
Occidental 8¼ 91 KD	7	†90¼	90½	0	0	9.89
Akzo 8¼ 87 LuxFr	500	†84½	85½	+1⅛	+1⅛	12.39
Euratom 8 87 LuxFr	500	78½	79½	+1⅛	+1⅛	12.72
Euratom 9¼ 89 LuxFr	500	89	90	+1¼	+1⅞	11.89
EIB 9¾ 89 LuxFr	600	89½	90½	+0⅛	0	11.76
Volvo 8¾ 87 LuxFr	500	87	89	+0⅛	+0⅞	12.34

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5¼ 87	0¼	96⅛	96⅝	2/7	15⅛	15.67
Banca di Roma Int. 6 87	0¼	98½	99	26/4	15⅜	15.95
Bank of Ireland 5¾ 89	†0¼	98½	97	21/6	16⅛	16.67
Bank of Tokyo 5¼ 89	†0¼	87	97½	25/4	14.56	14.97
Barclays O/S Inv. 5 90	0¼	96⅛	96⅞	13/6	14⅛	14.75
Bergen Bk. A/S 8 89	†0¼	88½	87	29/5	17¼	17.83
Eque. Inde Suez 5¾ 89	0¼	96⅞	97¼	11/7	14.69	15.14
Citicorp O/S F. 8 94	†0⅛	99	99½	8/0	18.81	18.95
Citicorp O/S F. 83	§†0	96	99½	23/5	16.06	16.18
Citicorp O/S F. 94	†0	99¼	99¾	30/5	16.84	17.02
C. Itoh 5¼ 87	0⅜	98⅛	99	16/9	19.44	19.68
Co-operative Bk. 6 86	0¼	97¼	97¾	15/5	16.06	15.46
Creditanstalt 5½ 91	§†0¼	98¼	98¾	14/6	18.44	18.72
CNT 5¼ 89	§0¼	99	99½	10/4	15.19	15.30
GZB 5½ 89	†0¼	87⅛	97⅝	1/5	14⅝	15.00
Jugobanka 6 89	0⅜	81	92	23/6	16	17.49
Ind. Bank Japan 5¼ 87	0¼	97⅞	98⅜	15/4	14½	14.52
LTCB Japan 5¼ 86	0¼	96⅝	87⅛	13/6	14⅝	14.71
LTCB Japan 5½ 99	0¼	96⅛	96⅝	7/6	14.16	14.72
Mfrs. Han. O/S 5¼ 94	†0⅛	98⅛	98⅝	30/5	17⅛	17.39
Midland Intl. Fin. 5 89	0¼	97¾	98¼	20/6	16	10.31
Nacional Fin. 6¼ 86	0¼	96½	97	25/7	14.89	15.18
Nat. West. 5¼ 94	§0¼	97⅞	98⅛	11/4	14.94	15.28
Nippon Credit 6½ 88	0¼	95⅜	95⅞	12/7	14.44	15.10
Nippon Credit 5¾ 97	§0¼	97	87½	0/5	14.89	15.10
Royal Bk. Scot. 5¼ 94	§†0⅛	98⅝	99⅛	11/4	14⅝	14.79
Soc. C. de Bque. 6½ 87	0¼	97⅞	98⅛	3/4	13¼	13.54
Sogenal 5¾ 89	§0¼	86½	97	13/7	14.44	14.92
Standard Chart. 5¼ 90	0¼	97⅞	98⅛	0/2	17¼	17.58
Sweden 8¼ 81	†0⅛	†97	97½	16/4	14.44	14.95
TVO Pwr. 6 91 (D-lock)	0¼	†96⅛	96⅝	24/5	15.21	16.87
Williams & Glyn 5¼ 91	0⅝	97½	98	14/0	18½	19.93
Bq. E. d'Alg. 4¾ 89 SF	0⅝	87	87½	18/6	0.69	7.86

Average price changes. . On day 0 on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7¾ 89	10/79	145	†101	102	+2	−8.10
Ajinomoto 7¾ 95	2/80	618	84⅞	85⅞	−0⅞	1.00
Alco Int. Fin. 9½ 94	1/80	40	†82½	83½	+0⅜	24.11
Asahi Optical 7 94	11/78	605	78⅛	79⅛	−4¼	14.07
Canon 6¾ 94	8/79	570	94½	95½	−1⅛	9.32
Ciba-Geigy O/S F. 4 94	9/79	675	61⅛	63	+1⅞	3.76
Credit Suisse 4¾ 93	10/79	1325	81⅛	93½	−2⅜	−4.63
Daiei Inc. 6½ 84	11/79	1020	86⅛	87⅛	−2⅜	37.68
Enserch Fin. 9½ 94	7/80	30.25	98¼	99⅛	+3¼	7.67
LPC Internatnl 6 89	9/79	23.33	94⅞	96⅛	+2⅜	11.56
Meidensha Elec. 7 94	12/79	210	†83¾	84⅜	−1⅛	13.99
Mitsubishi Co. 6½ 84	10/79	604	112⅛	113⅞	−1½	24.55
Nippon Seiko 7¾ 84	12/79	339	93⅛	94⅞	−0⅛	−0.01
Nitto Elec. Ind. 0 94	7/79	735	†61½	62⅞	−1⅛	0.28
Toshiba Con. 7¾ 84	10/79	198	86¼	87⅛	+0⅛	7.44
Union Bk. Switz. 5 89	2/80	125	83½	84⅛	+0⅛	−12.37
Fujitsu 5 84 DM	7/79	475	89⅛	90½	+0⅞	11.39
Kansai Elec. 4 84 DM	4/79	1234	81	82	+1½	51.54
Tokyu Ld. Cp. 4 86 DM	4/79	493	71	72	0	42.67
Uny Co. 6½ 86 DM	11/79	1071	86⅜	87⅛	−0⅜	34.48

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month: § above mean rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

WEST GERMAN BANKING

Assets expansion at Deutsche Bank

Frankfurt—Assets of Deutsche Bank rose 7.2 per cent to DM 98.8bn in 1979 in a banking year complicated by the tension between sharply expanded demand for customer credit and the higher costs of providing credit.

Customer credits rose 18.1 per cent to DM 57.3bn in 1979, surpassing an impressive rise of 16.5 per cent during the previous year, the bank announced. Total credit volume, however, rose only 8.5 per cent to DM 57.3bn, which is roughly half the growth posted in 1978.

The chief reason for the sharp drop in overall credit-expansion was a dramatic narrowing of volume in bankers' acceptances which plummeted 29.1 per eent to DM 4.9bn, a reversal of a growth rate of 3.5 per cent in 1978.

The bank had tried "to improve the revenue structure of assets" and "catch up with the effects of interest rate increases for deposits."

As a result of this strategy, business volume increased only 9.4 per cent to DM 101bn in 1979, a rate of expansion only about half as great as the rates recorded for the previous three years.

The bank's position had been "maintained" during a "difficult" year but profits eased and reserve contributions decreased. Profits for the parent company fell 7.4 per cent to DM 284m while DM 90m marks were added to reserves, down from a total of DM 120m put in reserves in 1978.

Nevertheless co-chairman Mr. F. Wilhelm Christians said be did not at present sec a necessity for a capital increase.

Elaborating further on shifts in the bank's credit business, management said that credit demand by private households was a major contributor to credit growth. The backlog of small personal credits and personal start-up loans rose by about DM 500m to over DM 4bn. Financing of car purchases remained the major category.

The sharpest growth in borrowing took place in construction financing which rose to DM 10.3bn in 1979 from DM 7.6bn. The Deutsche Bank group, including associated mortgage banks, lent a total of DM 29.3bn for construction financing.

AP-DJ

DFDS' $125m FERRY VENTURE

Gambling on the sunshine states

BY WILLIAM HALL, SHIPPING CORRESPONDENT

HAVING bucked the trend for a long time, DFDS, the leading Danish ferry operator, is beginning to fel the draught of the world's shipping and shipbuilding recessions just as it is about to break into the North American market.

The recession could not have come at a worse time since DFDS is embarking on its most ambitious investment. It is pioneering a $125m car ferry project linking New York with tha Bahamas/Miami.

So far only DFDS A/S, the parent company, bas reported its 1979 results. Net profits are 60 per cent lower at DKr 33.9m, and the dividend has been cut by a fifth. The results of the whole DFDS group, which will take in the shipyard losses, are expected later this month and are not going to make pleasant reading.

The slump in DFDS' profits bas meant that the group has bad to scale down its ambitious investment plans. It had boped to replace the two ferries on its Copenhagen-Oslo service, both of which are over ten years old, but this had to be postponed.

The four new 7,950 dwt ships for the Nordana Line have been built in Japan and although DFDS has influenced their design they bave been financed by a Japanese group, Atlantic Heavy Lift. DFDS has chartered them for five years and has an option to purchase them aftar that, thereby reducing its initial financing charges.

The shipping recession bas also led to DFDS' Norwegian chief executiva, Erik Heirung, reassessing the group's long-term strategy. The traditional reliance on the ro-ro charter market is being reduced and the group is becoming much more internationally orientated. The emphasis is on projects where DFDS has some measure of control.

It has expanded its wholly-owned ferry services in the Mediterranean, bought into the Miami-based Nopal Caribe Line and set up a joint shipping operatioo with Ivory Coast interests—Societe Ivoirienne de Navigation Maritime (Sivomar).

However, these projects pale into insignificance when set against DFDS's ambitious plan to break into the North American market. DFDS is investing $125m in an American car ferry service, which will operate between New York and the Babamas/Florida.

Compared with Scandinavia, U.S. car ferry operations are in their infancy and DFDS hopes to capitalise on its experience as one of the world's leading ferry operators. Every year over 20m Americans and Canadians drive down from the North in search of the Florida sunshine.

At the moment the only alternative to the long and tiring road journey is to take cars by train from Washington. DFDS hopes that it will be able to lure drivers aboard its new "car cruise liner" (car ferry is a taboo word in the U.S.).

Until now the major obstacle to the introduction of such a service by a foreign operator has been the existence of the Jones Act, which prohibits foreign ships from carrying passengers between one U.S. port and another.

DFDS A/S

	Turnover DKrm	Net Profit DKrm	Dividend %
1975	715	54.4	6
1976	831	68.8	8
1977	932	120.1	12
1978	1037	85.9	15
1979	1206	33.9	12

DFDS has got round this protectionist legislation by doing a deal with the Government of the Bahamas whereby it ferries the cars and passengers to the Bahamas and then tranships them onto a smaller ferry for the short bop across to Miami.

This deal in itself was not easy since, traditionally, the Bahamian Government bas banned the entry of tourist cars, because it aws fearful of their impact on the islands' small road system.

DFDS has already ordered its $100m car cruise liner from France's Dubigeon-Normandie abipyard. The fact that DFDS chose a foreign shipyard and not a Danish one caused considerable resentment within Denmark, but DFDS says the foreign financing terms were more attractive and it could not ignore them.

The new 20,000-ton ahip will carry 1,600 passengers and 400 American-sized cars and will operate under the Bahamian flag. DFDS hopes to have the new service operating by the summer of 1982. It plans to apend around $20m on a aecond-hand ship for the Bahamas-Miami run.

Mr. Bruce Nieremberg, manager of Scandinavian World Cruises, which will market the service, estimates that DFDS's two ships will carry 14,000 passengers a week, to make DFDS one of the biggest operators in the American cruise market. DFDS bave aigned an exclnsive agreement with the Government of the Bahamas for 10 years so the new venture is safe from foreign competition.

By any criterion the new project is a major move for DFDS. The total cost of around $125m will be mostly met by debt financing but, even so, it will have a major impact on the DFDS A/S total capital employed of around $220m and long-term debt of $100m.

Piaggio expects higher sales

BY RUPERT CORNWELL IN ROME

PIAGGIO, Europe's largest motorcycle and scooter group, is forecasting a rise of about 38 per cent in sales this year to L500bn ($550m) from the L364bn achieved in 1979.

The prediction is firm proof of the optimism of the company, buoyed by increasing sales as a result of ever more costly petrol and tighter curbs on inner city private transport in Italy and elsewhere.

Although profit figures bave not been released for last year the 1978 reported net earnings of L10.7bn seem likely to have been surpassed. Investment for 1980 is projected at L56.5bn, compared with L45bn in 1979, and total capital spending of L110bn between 1976 and 1979.

The only cloud over this year's outlook, according to company officials, is the risk of renewed labour agitation. Strikes related to the renegotiation of the three-year national contract for Italy's engineering workers cost Piaggio 8,00 units of lost output in 1979.

This year, bowever, many companies, including Piaggio, will be sattling supplementary in-house agreements to build on the national contract.

Industrial unrest meant that, in 1979, production by Piaggio and its major motorcycle subsidiary, Gilera, remained static at around 780,000 units. This year's turnover prediction is based on a 26 per cent rise in production to 977,000 units.

Output of mopeds is forecast to g row by 33 per cent and that of scooters, including the Vespa range, by about 19 per cent. Export expansion is likely to be sligbtly slower, at about 20 per cent between 1979 and 1980—with the best p rogress in Africa and Eastern Asia, and, to a lesser extent, the U.S.

Capital spending at PUK

By Terry Dodsworth in Paris

THE IMPROVEMENT in the financial situation of the French special steels industry last year bas been underlined by the announcement of a FFr 130m ($28.9m) investment plan by Ugine Aciers, the subsidiary of Pechiney Ugine Kuhlmann.

Ugine says that the company experienced a significant recovery last year, achieved both through stepping up its sales and reducing its costs. To consolidate this progress it aims to invest in new equipment for treating stainless steels and in a continuous casting facility.

● Thomson-Brandt, the French consumer electronics manufacturer, bas succeeeded in its bid to take over the European activities of the U.S.-based General Telephone and Electronics group in this sector.

No figure bas been given for the deal, which is subject to the approval of the French and German governments. But GTE is believed to have bean anxioua to dispose of its German aubsidiary, Saba, which accounts for about 8 per cent of the colour television market in West Germany.

Saba has been hard hit by price cutting and is felt to be too amall to survive alone in thia market.

The other GTE subsidiary involved in the agreement is Videon, a French manufacturer of aub-assemblies for televisions, and one of Saba's suppliers.

Wereldhave to hold profits

By Our Financial Staff

EARNINGS per sbare at least equal to those achieved for 1979 are forecast for the current year by Wereldhave, the Dutch property group.

In its statement to the annual accounts, Wereldhave says that during 1980 the company will endeavour to strengthen its position in the property market in North America.

In Europe in general, and Holland in particular, a prudent acquisition policy will be adhered to. As a result, a "certain consolidation" of the investment portfolio can be expected.

It is against this bnsiness background that Wereldhave, which in 1978 bid unsuccessfully for English Property Corporation, makes its earnings forecast. For 1979 net profits were Fl 24.25m compared with Fl 22.46m.

Group investment properties at the end of December had a value of Fl 747m, compared with Fl 585m a year earlier, while development properties stood at Fl 58.6m, against Fl 72m.

Hitachi lays challenge in integrated circuit market

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

HITACHI, Japan's largest integrated electrical manufacturer, will invest Y20bn ($80m) this year in a bid to catch up with Nippon Electrica Company as Japen's leading manufacturer of integrated circuits (1Cs). Hitachi aims to expand output of semlconductors (including 1Cs) by 27 per cent to Y165bn this year. In the business year just ended it produced and aold Y130bn of semi-conductors, an increase of 20 per cent on the 1978 figure.

ICs now constitute 8 per cent of Hitachi's total sales, but one third of investment in new capacity tis year will be devoted to integrated circuits. One of Hitachi's motives for challenging NEC as Japan'a top IC manufacturer is to gain in price leadership in what ia becoming a highly competitive market.

In 1978, according to an independant survey, Hitachi accounted for 17 per cent of Japanese 1C production compared with NEC's 20 per cent. Hitachi, bowever, depends more hesvily on internal sales—sales of 1Cs to other divisions of its own group—than does NEC. Abont 20 per cent of Hitachi'a sales were internal last year compared with an estimated 12 per cent for NEC.

Both Hitachi and NEC (which projects its 1980 sales at over Y160bn) say that demand for their output of 1Cs will outrun supply in 1980 and probably beyond. The speed of growth of the market appears to bear little resemblance to the overall pattern of economic growth in Japan, which is expected to alacken towards the end of the year.

NEC, in a recent survey, was listed aa the world's fourth largest IC manufacturer, with Hitachi in sixth position. Both companies are, however, moving rapidly up the world league table.

* * *

FUJI PHOTO FILM COMPANY plans to increase production of non-carbon paper to abont 4,100 tonnes a month from 3,500 tonnes by June next year at a total cost of Y3bn ($12m), reports Reuter from Tokyo.

The company, Japan'a biggest non-carbon paper manufacturer, with a 32 per cent market share, said that domestic demand for the product will rise at an annual rate of over 15 per cent, with the growth in the compnter market.

Fuji'a sales of non-carbon papers in the 1979 business year, ended last October, totalled Y20bn, accounting for 6 per cent of its total salea.

Japanese capital outlays to rise

TOKYO—Despite the Government's credit squeeze, equipment investment by Japanese companies in the current fiscal year, started April 1, is expected to rise.

According to a survey of 1,765 major firms by the Industrial Bank of Japan, the companies are planning to apend Y12,230bn ($48bn) on equipment investment in the year, a 14 per cent increase from the previous year's Y10,720bn.

Another survey, of 1,115 major firms, by the Long-term Credit Bank of Japan, showed that capital spending will rise by 15.6 per cent from the previous year to Y9,660bn.

Both surveys attributed the rise mainly to a steep increase in investment in the electric power industry. They also cited aggressive corporate desire to invest funds in streamlining energy-saving facilities in an attempt to reduce production costs in the face of rising oil prices and an electricity rate inerease this month.

The Industrial Bank said investment in the motor-car, electric, and general machinery industries is likely to become more active with the support of recent briak demand in botb domestic and overseas markets. Tbe aurvey said planned investment in the manufacturing industry as a whole will total Y3,800bn, up 5.9 per cent from the previous year, while that in the non-manufacturing sector, excludiog electric power eompanies, will reacb Y4,540bn, up 11.8 per cent.

Planned investment in tbe electric power industry alone will increase by a sbarp 26.7 per cent to Y3,880bn; spending in the motor-car sector will rise 24.3 per cent to Y691bn; in the electric industry by 23.3 per cent to Y411bn; and in the general machinery sector by 21.9 per cent to Y157bn.

Investment in the steel industry, however, will drop by 4.6 per cent to Y686bn, partly because investment by aome ateelmakers has run its course, the survey added.

* * *

TOKYO ELECTRIC Power Company plana to increase its capital outlay for plant and equipment in fiscal 1980 started this montb by 27 per cent to Y1,240bn ($4.8bn) from an estimated Y975bn in fiscal 1979.

The forecast assumes that electric power consumption will rise by an annual rate of some 6 per cent over the next several years. Under tbe plan, the company will start construction of a nuclear power station with a capacity of 2.2m kilowatta for completion in fiscal 1988.

Agencies

Clal Israel stays ahead of inflation

By Our Tel Aviv Correspondent

CLAL (1SRAEL), the country's largest Investment company, reports that its net after-tax profit last year reached I£392m ($22.3m), a rise of 132 per ceot, or more than 20 more than the inflation rate. Net profit per share came to I£131, against I£63 in 1978.

The group comprises 200 companies in fields such as industry, constructioo and trade, services and finance. The industrial division accounted for I£400m of last year's profit, with its main activities being in cemeot production, steel castiogs, electrical and electronics production and textiles. Exports increased to $80m from $50m a year earlier.

The total value of assets rose to I£14.6bn at end-1979, compared with I£8.1bn a year earlier. The company'a total cash dividends for 1979 come to 13 per cent (12 per cent in 1978), while the total bonus share distribution will be unchanged at 40 per ceot.

Control of FIBI sold to group of industrialists

BY L. DANIEL IN TEL AVIV

THE controlling interest in the First International Bank of Israel (FIB1)—the country's fifth largest bank—has been sold for $26m by the Shaul Eisenberg group to a recently formed local company, Danot.

Danot was established by a group of leading industrialists and the bead of a large Insurance company with the aim of setting up Israel's first merchant bank together with Bank Leumi.

Mr. Eiseoberg acquired control of FIBI only a year ago wben be bought the boldings of the First Pennsylvania Corporation and subsequently acquired additional stock from local shareholders. The Danot group bas not abandoned its plans to participate in the establishment of the proposed merchant bank, but its share will clearly have to be smaller than originally intended in view of its latest commitment. Danot intends to raiae capital on the Tel Aviv stock exchange for both projects.

* * *

ISRAEL DISCOUNT Bank Investment Corporation, which specialises to a large extent in industrial investment, reports a net profit for 1979 of I£208m (around $5m), up 94 per cent on 1978. Earnings per sbare, after full dilution, came to I£1.07 per share of I£1 nominal value, compared with I£0.56 in the previous year.

Total balance-sbeet assets at the year-end stood at I£1bn ($450m), for a rise of 110 per cent, while total capital reserves on December 31 came to I£623m, against I£411m in 1978, and the investment portfolio to I£570m, compared with I£385m.

The bank paid a casb dividend of 18 per cent in December, and 30 per cent in bonus shares was issued in February, in respect of 1979, matcbing the payment and issue in 1978.

Sharp gain for Mahindra and Mahindra

BY R. C. MURTHY IN BOMBAY

A SHARP rise in operating profits has been achieved by Mahindra and Mabindra (M and M) the engineering company engaged in, among other things, production of the jeep range of vehicles and tractors. Pre-tax profits rose to Rs 125.7m ($15.3m) in 1979 from Rs 52.42m in 1978, for a 139 per cent rise.

M and M has raised its dividend from 18 per cent to 20 per cent, and proposes a scrip issue of one share for every ordinary share hold.

The company recorded its highest ever production and sales in 1979, with the pooling of engineering facilities of M and M and International Tractors, its sister company, brought about by merger a year ago.

The company propoaes to market an improved Jeep by fitting to it a fuel saving diesel engine, to be manufactured in collaboration with Peugeot of France. The Government has cleared M and M plan to produce tbe Peugeot XDP 4.90 diesel engine in India.

M and M proposes to set up a joint venture in Greece in partnership with Balkania K Zacbaropoulos of Athens, for the manufacture of Jeep vehicles and trucks. It is proposed initially to assemble vehicles mainly from packs shipped in and at a later stage to explore the possibility of progressive switching to manufacture locally.

First-half advance at New Straits Times

By Wong Sulong in Kuala Lumpur

PRE-TAX EARNINGS of New Straits Times Press, Malaysia's biggest publishing group, rose by more than 50 per cent to 11.2m ringgit ($4.9m) in the six months to end February. Turnover advanced by 32 per cent to nearly 44m ringgit. The interim dividend is held at 15 per cent.

The first half of the group's financial year is usually a buoyant period, coinciding as it does, with the country's major festivals and holidays. The good results were aaid to be due largely to strong earnings from advertising, coupled with steady growth in circulation, and better performance from its subsidiaries, Berita Publishing and Financial Publications.

The parent company, which publisbes the New Straits Times, the Malay Mail and theMalay Language daily, Berita Harian, and their Sunday editions, contributed 93 per cent of the group's profits, with the pre-tax surplus up by 48 per cent to 10.9m ringgit.

The group's last annual report ahowed that circulation of the group's English language newspapers were reaching a platean, but strong growth baa been reported by the Berita Harian. This reflects the rapid shift in Malaysia's education system, in which Malay is increasingly used as the medium of instruction.

Exports boost Bata Malaysia

By Our Kuala Lumpur Correspondent

A STRONG surge in sales, particularly in the export sector, has boosted earnings of Bata Malaysia, which recorded a 48 per cent rise in pre-tax profits to 7.9m ringgit ($3.4m) for the year ending December.

The company said the higher production and sales levels bave reduced the impact of bigher production costs on profit margins, which increased to 11.6 per cent compared with 9.5 per cent previously. Total sales advanced by 21 per cent to 68m ringgit, while exports increased by over a third to 9.3m ringgit.

In view of the higher earnings, Bata is paying a final dividend of 16 per cent, bringing the year's total to 22 per cent against 20 per cent previously.

The company expects the current year to be a good one based on its performance of the first quarter and orders in band.

Recovery for Utd Engineers Malaysia

By Our Kuala Lumpur Correspondent

UNITED Engineers Malaysia, the building and equipment group, has produced its best results in recent years. For the 12 months eoding December, pre-tax profits were 5.2m ringgit (US$82.2m), compared with 750,000 ringgit the previous year.

The pre tax earnings were made after paying nearly 5m ringgit in interest charges. During the year, the gronp undertook several major engineering contracts, and profits were also enhanced by the massive management reorganisation undertaken in mid-1978.

United Engineers Malaysia is now taking stepa to rednce its heavy debt burden. Last month, it announced plans to raise a total of 35m ringgit (US$15m) through a one-for-four rights issue and a special issue of 8.75m ringgit shares for Malays.

Bleak outlook for most engineering companies

BY IAN RODGER AND ARNOLD KRANSDORFF

DESPITE CLAIMS that they weathered the 13-week steel strike fairly well, most engineering companies face a bleak and probably deteriorating outlook over the next year to 18 months.

Soft economic conditions have caused markets to fade while the continuing strength of sterling and sharply rising production costs have hampered the industry's ability to compete against foreign suppliers both at home and abroad.

The consequent build-up of stocks, exacerbated by the haulage and engineering strikes last year, has forced many engineering companies to take on large bank loans at crippling interest rates.

The Bank of England reported last week that bank lending to engineering companies rose 11.5 per cent between November and February, more than double the average rate of increase in manufacturing. Over the past year, lending to engineering firms grew by 35.5 per cent compared with an average 25 per cent to manufacturing as a whole.

The grim outlook was confirmed by the February report on short-term trends for the mechanical engineering industry, published by a working party made up of representatives of the industry, employers and trade unions, and of government officials. The report said the industry was facing at least 18 months of severe recession and forecast a 10 per cent reduction in new orders and an 11 per cent reduction in sales in 1980.

Mr. Ian Thompson, economic adviser to the Engineering Employers' Association, said: "Basically, the outlook in the February report is still valid. If anything, things are probably a little worse."

Very few companies have admitted being seriously affected by the steel strike. Metal Box, which relies on BSC for more than 90 per cent of its tinplate, and is the main supplier to the food canning industry, was probably the most exposed.

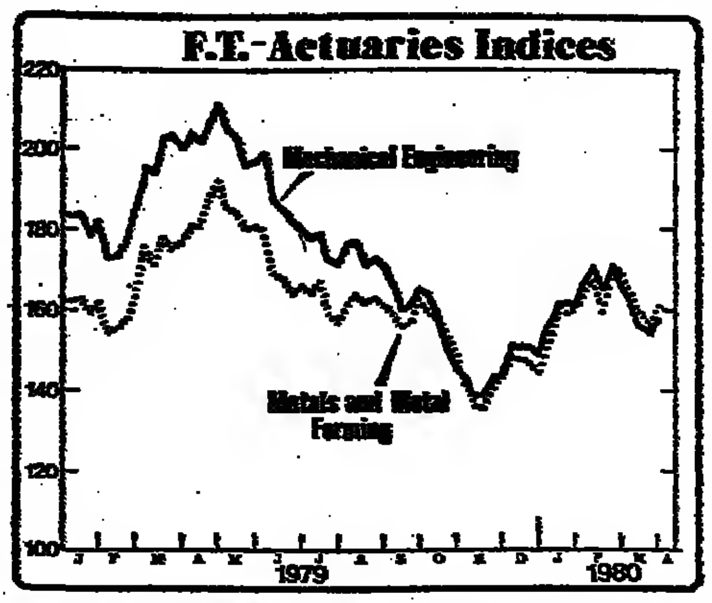
It had to lay off 40 per cent of its 15,000 workers and production dropped at one point to 30 per cent of normal levels on processed food cans. "We have a lot of catching up to do," Mr. D. I. Allport, chairman, said. The company declined to comment on the likely financial impact of the strike but pointed out that disruption of deliveries during last year's haulage strike cost £5m.

Guest Keen and Nettlefolds, a manufacturers of steel, a steel stockholder and a major manufacturer of engineering products, found that the strike had a progressively disruptive effect. The company said first quarter UK profits had been "severely affected," but refused to elaborate.

Not only had deliveries from BSC been cut off but the group's own two steel mills, in Cardiff and Wrexham, were shut for three to four weeks in February.

Recovery in the short term depends on pick-up in customer demand. "We will have no feel for it until we have seen a few months go by," Mr. Trevor Holdsworth, chairman, said. "I'd rather not even speculate."

KGN is uncertain about the underlying level of demand for its engineering products. Demand was high in January and February in fasteners, for example. Orders have since declined but a large backlog remains.



One possible explanation is that customers were chasing anything with steel content but will now live off stocks.

On the steel side, Mr. Basil Wood, a director, said that GKN had "a lot of orders in the pipeline from BSC and from other suppliers. For some time, we have had a policy of diversifying sources."

Mr. Wood said the company's own steel warehouses were full and he suspected there were further extensive stocks at the docks.

Tube Investments feared most the loss of market share in some of its businesses. For example, the company's share of the UK bicycle market is normally about 60 per cent but it slumped "dramatically" during the strike, according to Mr. F. Garner, finance director.

"Our recovery will depend quite a lot on how long it takes for BSC to get back on stream, although we still have some import arrangements to tide us over."

Like most engineering companies, the Weir Group, the Glasgow-based manufacturer of pumps and steel castings, claims to have weathered the strike fairly well but its managing director, Mr. J. J. B. Young, still fears that "a bit of a knock-on effect is developing. Sales are being affected because manufacturing customers face erratic component shortages and so stop production and, consequently, purchases of other components.

Mr. Philip Shepheard, a research partner with the brokerage firm of Smith Keen Cutler argued that the impact of the strike has yet to be noticed by most companies.

"Most have kept up production but at a sacrifice in efficiency; Mr. Shepheard said. "I believe profits in the first quarter will show the cost of shuffling production schedules, much higher transportation costs, the use of materials of not ideal specification, shorter runs and down time."

In general, he suspected the impact would range from one-third to one-half as severe as that of the engineering strike last autumn.

The strike also raised the question of the reliability of BSC as a supplier in the market. Mr. J. O. Sewell, managing director of GEI International, is worried that BSC could face further disruption when dealing with its "horrific demanning" problem.

"People like us are going to have to start looking at sourcing on the Continent. And when you go to the Germans and the French, they are not interested in a one-off deal. They want long-term contracts."

Mr. Simon Dawes, an analyst with stockbrokers Laing and Cruickshank, predicted that BSC would fight hard to regain its market share and that would hurt private steelmakers' profit margins.

"BSC cannot afford to increase prices in the short term. Therefore many private producers will not be able to increase prices although costs are shooting up."

Still, Bridon, the Doncaster-based wire and engineering group, may be contemplating investing the proceeds of the impending sale of its South African associate in a steel mini-mill in Britain, either alone or with partners. The company's business is extremely volume-sensitive and it values security of supply.

Assembly of a 660 MW turbine-line at the Newcastle-upon-Tyne works of C. A. Parsons, part of Northern Engineering Industries

Even without the steel strike, the outlook for the engineering sector as a whole was already being described by analysts as "subdued," "grim," "disastrous" or "lousy."

There is some dispute about the likely course of capital spending by manufacturing industry on engineered products in the next few months. Many engineering companies claim that their order books are holding up but the figures of the industry's own joint working party and the Government's own forecast of a 4.5 per cent decline in manufacturing output this year suggest a darker future.

Mr. M. F. Julien, BICC finance director, said that there are no indications yet of a downturn in activity on the scale indicated by Treasury forecasts. Balfour Beatty's UK orders are holding up well and BICC export orders have risen some 15 per cent over the last year.

Mr. Sewell of GEI International also expressed "qualified optimism. I do not belong to the Cambridge set of gloom and doomsters," he said. He remains concerned, however, about remaining competitive if wage rates continue to rise by about 20 per cent a year.

There is no dispute about the impact of squeezed margins and already soft markets. The Weir Group, for example, has seen its debt jump to close to £40m at the end of 1979 from £17m at the end of 1978. Interest charges rose to £4.5m from £2.5m and could increase to £7m this year if the debt level remains unchanged.

"We are doing all we can to reduce our borowing." Mr Young said. The company which passed its finl 1979 dividend, still believes some evidence of recovery will show up later this year, not because of much improvement in markets but because two loss-making foundries have been shut and the valve manufacturing interests sold.

Mr. Young said the 1980 order book on the pump side of the business was satisfactory. "I am more concerned with the flow in 1981. We are finding it pretty hard going. We are working on a lot of projects worldwide but they seem to take longer to come to fruition than before."

Among othe major engineering firms, Vickers is more concerned about the loss of its Chieftain tank sales to Iran than the steel strike. Stone-Platt, after the worst year in its history, sees some positive indications that UK workload could pick up later this year, according to Mr Derrick Willingham, its finance director. However, low demand for textile machinery has kept the company's Lancashire factories on a three-day week so far this year.

BICC, which says strikes in the UK cost it between £4m and £5m last year, expects to be only marginally affected by the steel strike, mainly in Balfour Beatty's structural steelwork business.

Babcock International does not expect much improvement in 1979's depressed results, notably because of the downturn in the U.S. auto market, the dearth of big new international contracts and higher international interest rates.

APPOINTMENTS

Duport group changes

Mr. James Winstanley has joined Duport and will become group managing director on July 1. He was previously with Associated Engineering. Mr. J. M. Russell is to be deputy chairman and chief executive of Duport and Mr. J. M. Paterson is to be made an additional deputy chairman. Mr. F. K. Louder will have full-time duties as group director responsible for corporate planning and development. Also from the beginning of July the group will be organised into four divisions with the following chief executives: Steel, Mr. S. Edwards; Furniture, Mr. P. W. Stone; Plastics, Mr. R. A. Moulder; and Metal Forming: Foundries, Mr. W. R. Williams and Forges, Mr. K. N. Jones.

*

PORTALS HOLDINGS has appointed Mr. K. J. Daniells as president of Portals Water Treatment Inc., and chairman of the Wright Chemical Corporation (the Portals Water Treatment North American subsidiaries). Mr. J. G. Jeeves has become managing director of Houseman (Burnham) in succession to Mr. Daniells.

*

Mr. Bernard C. Owens has been appointed a local director of REED STENHOUSE UK. He recently retired as chairman and managing director of Unochrome International.

*

Mr. David Pritchard-Barrett, managing director of GREENALL WHITLEY & CO. since 1970, is leaving the group to take up a new appointment in industry.

*

Mr. J. Hugh Jones has been elected chairman of BEAUMONT PROPERTIES in place of Sir Cyril Black, who did not seek re-election as a director at the recent annual meeting and has ceased to be chairman.

*

Mr. L. E. Cope has retired as chairman of WILSON SMITHETT & COPE, a subsidiary of Guinness Peat Group, and has been succeeded by Mr. D. L. Burt. Mr. W. R. Phillips has been appointed managing director. Mr. Cope remains a director of the company.

*

LESLIE AND GODWIN has formed Leslie and Godwin International as an operational company with the following Board: Mr. P. C. Methely, chairman and managing director, Mr. J. G. Alston, Mr. J. Barson, Mr. A. H. Bolton, Mr. D. R. Jenkins, Mr. J. A. Leslie, Mr. G. T. Lewis, Mr. D. S. McKenna, Mr. T. R. A. Macmillan, Mr. M. F. L. Oxlade and Mr. R. R. J. Wakeham.

The new company forms the central management of the international group's operational companies which have now been consolidated into four main units, plus a service company. The four companies and managing directors are Leslie and Godwin Non-Marine, Mr. Jenkins; Leslie and Godwin North America Non-Marine, Mr. Leslie; Leslie and Godwin Aviation, Mr. Bolton; and Leslie and Godwin Marine, Mr. Wakeham. The new services company is Leslie and Godwin International Services with Mr. Barson as managing director.

*

The following Board appointments have been made in two recently formed HAWKER SIDDELEY companies involved in the railway industry. Hawker Siddeley Rail: Sir Arnold Hall, chairman, Mr. G. S. W. Calder, Mr. J. M. Durber, Mr. E. J. Harris, Mr. A. J. Laurence, Mr. D. Pollock, Mr. T. W. B. Salfitt, Mr. L. E. Thompson, Mr. E. J. White and Mr. F. H. Wood. Hawker Siddeley Rail Projects: Mr. Durber, chairman, Mr. Calder, managing director, Mr. F. H. Beasant and Mr. H. Howard. Part-time directors of that company are: Mr. R. C. Ballantyne, Mr. P. J. S. Fordham, Mr. E. F. T. Jenkins, Mr. R. I. McCallum, Mr. Pollock, Mr. E. J. Harris and Mr. B. G. Sephton.

*

Mr. A. E. F. Wilkinson is to become managing director of ECLIPSE TOOLS, a subsidiary of James Neill Holdings from April 9. He succeeds Mr. M. R. Hesketh, who leaves by mutual consent.

*

Mr. James R. Pettit has joined HEIDRICK AND STRUGGLES INTERNATIONAL as a vice president of its international consulting practice based in London.

*

Mr. Roly Jarvis has become managing director of TI RALEIGH and relinquishes his position as group finance director but remains on the Board of TI Raleigh Industries, the holding company.

*

Mr. Martin W. Pudden has been appointed commercial director of the BRITISH TRANSPORT Docks Board from May 1. He was previously with Canadian Pacific Steamships as general manager, business development.

*

Mrs. Mary Baker, wife of Mr. Kenneth Baker, Conservative MP for St. Marylebone, has become chairman of the LONDON TOURIST BOARD. She succeeds Lord Ponsonby, who is retiring because of business commitments.

*

Mr. E. S. Beadsmoore, managing director of DENNISON MANUFACTURING COMPANY, has taken over the additional position of chairman and is now chief executive of all UK operations. Mr. E. M. Smith has retired as chairman but retains a non-executive directorship as a consultant.

*

Dr. W. C. Emmerson has been appointed technical director on the Board of FIELD SONS AND CO., part of Reed International.

*

Mr. E. F. Webster, a senior principal in the Paymaster General's Office at the Treasury, has been appointed Assistant Paymaster General in succession to Mr. N. C. Norfolk, who is retiring. Mr. Webster will take up his new duties, which are at Assistant Secretary level, from May 19.

*

Mr. Ivor Elms has been elected president of the ASSOCIATION OF BRITISH TRAVEL AGENTS. He is managing director of the London-based Tottenham Travel Ltd.

*

BRABY LESLIE has made the following appointments and alterations to the Board of E. C. Payter and Co. Mr. T. Wilson will transfer to Braby Group, Liverpool, as director and general manager designate, relinquishing his post as managing director of Payter, but is remaining a director. Mr. R. H. Yorke, currently financial director, will be appointed managing director. Mr. H. Pilkington, currently chairman of Payter, will resign his directorship to concentrate on other activities within the group. Mr. M. S. Rideout, a director of Payter, will be appointed chairman. He is also group managing director of Braby Leslie.

*

The BENJAMIN PRIEST GROUP has made the following management changes: Mr. Philip Bennion has retired as a director of the group; Mr. Edgar Bull has also retired from the group parent company board but continues as a director of J. E. Woodall and Co.; Mr. Brian Doyle has been appointed managing director of Blackheath Engineering Co.; Mr. Alan Grant has been made export director of Integrated Handling; Mr. Trevor Little has become works director of Hi-Space Systems; Mr. Arthur Robinson has been appointed chairman of S. Taylor and Co. in addition to his other executive responsibilities within the group; Mr. Peter Young has been made managing director and Mr. Allen Hughes appointed finance director of S. Taylor and Co.

*

Mr. D. G. (Bill) Bailey has been appointed secretary of the CENTRAL COUNCIL FOR AGRICULTURAL AND HORTICULTURAL CO-OPERATION and head of its co-operative planning department. He succeeds Mr. J. A. E. Morley, who has retired but will continue as a part-time consultant to the council.

*

Mr. David B. Palin has been appointed managing director at S AND P COIL PRODUCTS, Leicester-based manufacturer of coils and heating products and is a member of the Halma group of companies.

*

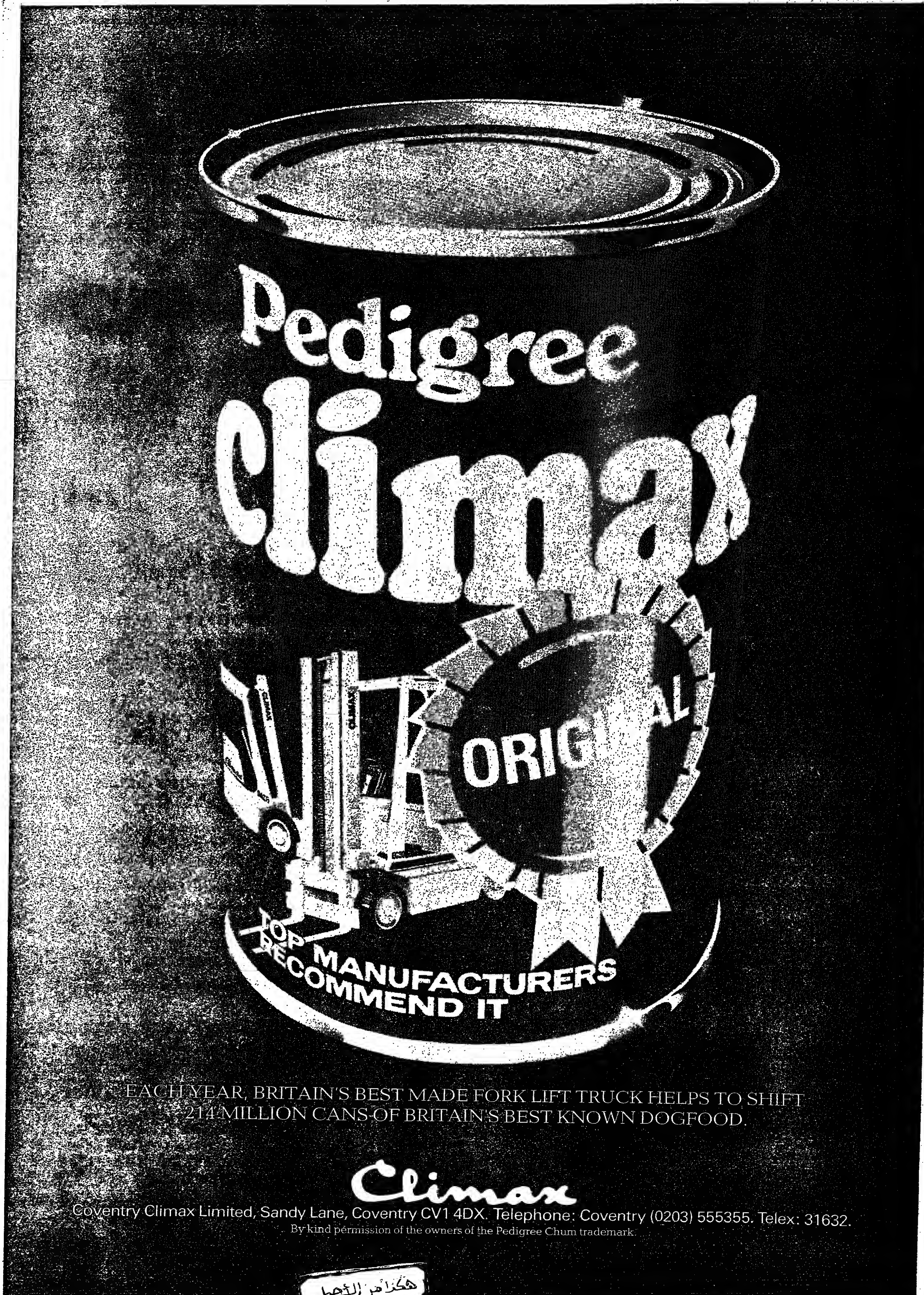
GRANDMET INTERNATIONAL SITE SERVICES has appointed Mr. Paul Thackray to the Board as financial director of Grandmet International Site Services (Holdings) and three other Grandmet companies.

*

BANK OF INDIA has appointed Mr. K. L. Samant as the chief manager of its UK and European branches with headquarters in London.

*

Mr. Julian Markham has been re-elected chairman of the LANDED PROPERTY CONSULTATIVE COUNCIL for the second year. He is chairman of Glengate Properties and a past president of the Incorporated Society of Valuers and Auctioneers.


Pedigree
climax
TOP MANUFACTURERS RECOMMEND IT
EACH YEAR, BRITAIN'S BEST MADE FORK LIFT TRUCK HELPS TO SHIFT 214 MILLION CANS OF BRITAIN'S BEST KNOWN DOGFOOD.
Climax
Coventry Climax Limited, Sandy Lane, Coventry CV1 4DX. Telephone: Coventry (0203) 555355. Telex: 31632.
By kind permission of the owners of the Pedigree Chum trademark.

CURRENCIES, MONEY and GOLD

Dollar weak

FEARS OF further tension in the Middle East following President Carter's move to sever diplomatic relations with Iran, and unrest between Iraq and the regime in Tehran, led to late selling of the dollar in the foreign exchange market. Earlier in the day the U.S. currency had been firm on interest rate considerations, but by early afternoon sales of dollars were seen from Middle Eastern interests, coupled with a renewed demand for gold. When New York opened the dollar continued to decline in the absence of any buying support.

The dollar fell to DM1.9455, from DM1.9650 on Thursday, against the Deutsche Mark and to SwFr 1.8470 from SwFr 1.8660 against the Swiss franc. A warning from Iran that it will cut off oil supplies to any country joining in U.S. sanctions hit the Japanese yen however, and the dollar rose to Y259.10 from Y257.25, but was well down from earlier levels in Tokyo.

The dollar's trade-weighted index, as calculated by the Bank of England, was unchanged at 91.8.

Sterling's index on Bank of England figures, rose to 72.8 from 72.3 on Thursday, after standing at 72.5 at noon and 72.6 in the morning. The pound opened at $2.1365-2.1375, and touched a low point of $2.1360-2.1370 in the morning, but later recovered to $2.1400. In the afternoon sterling rose to a best level of $2.1680-2.1690, and closed at $2.1665-2.1675, a rise of 2.80 cents from Thursday.

D-MARK—Weaker within the European Monetary System and against the dollar following expectations of a continuing balance of payments deficit in Germany, and effects of anti-inflation measures and higher interest rates in the U.S.—The D-mark weakened against the dollar, sterling, and members of the EMS. The Bundesbank did not intervene when the dollar rose to DM 1.9723 from DM 1.9548 at the Frankfurt fixing, after trading within a range of DM 1.9685 and DM 1.9785 during the morning. Sterling improved to DM 4.2180 from DM 4.1920, and the Swiss franc to DM 1.0543 from DM 1.0541. Within the EMS the French franc rose slightly to DM 43.41 per 100 francs from DM 43.40, and the Irish punt to DM 3.7580 from DM 3.7480.

BELGIAN FRANC—One of the weakest members of the EMS over the last year, but central bank intervention and record interest rates have lifted the franc off its floor within the system—The franc showed mixed changes against its EMS partners, improving against the D-mark and Dutch guilder, but losing ground to the Irish punt, Danish krone, and Italian lira at the Brussels fixing. The French franc was fixed unchanged at BFr 6.96. Outside the EMS the dollar rose to BFr 31.6050 from BFr 31.35, and sterling to BFr 67.6475 from BFr 67.29.

DANISH KRONE—Remaining weak, but slightly firmer within EMS, following two devaluations in last 12 months—The krone improved against other EMS currencies with the exception of the Dutch guilder and Italian lira. The dollar rose to DKr 6.1235 from DKr 6.1035 at the Copenhagen fixing, while the pound fell to DKr 13.0955 from DKr 13.0990.

JAPANESE YEN—Energy and balance of payments problems reflected in sharp decline last year, which after a slight pause has been renewed, resulting in a support package and heavy central bank intervention—The Bank of Japan sold about $160m to support the yen in heavy Tokyo foreign exchange trading yesterday. Fears that U.S. moves to break diplomatic relations with Iran will result in the suspension of oil exports to Japan pushed the dollar to a high point of Y264, before closing at Y263.50, compared with Y263.50 on Monday, and Y257.25 in London before the Easter week-end.

THE DOLLAR SPOT AND FORWARD

April 8	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1360-2.1690	2.1665-2.1675	0.17-0.27c dis	−1.22	0.60-0.70dis	−1.20
Ireland†	1.9040-1.9260	1.9240-1.9260	0.05-0.15c dis	−0.63	0.20-0.30dis	−0.52
Canada	1.1854-1.1872	1.1854-1.1857	0.34-0.31c pm	3.29	0.76-0.71 pm	2.48
Nethlnd.	2.1240-2.1625	2.1285-2.1300	1.54-1.47c pm	9.44	4.23-4.16 pm	7.84
Belgium	31.23-31.69	31.23-31.25	7-5½c pm	2.39	18-15 pm	2.10
Denmark	6.0840-6.1175	6.0875-6.0900	9.50-1.00ore dis	−1.48	2.00-2.50dis	−1.48
W. Ger.	1.9430-1.9780	1.9450-1.9460	1.80-1.70pf pm	10.79	4.52-4.42 pm	9.19
Portugal	51.48-51.62	51.48-51.58	5c pm-10 dis	−0.58	17 pm-33dis	−0.62
Spain	73.15-73.62	73.15-73.25	20-35c dis	−4.48	75-100 dis	−4.76
Italy	905.50-910.20	906.50-907.00	3½-2½ lire pm	3.97	4-2½ pm	1.43
Norway	5.1930-5.2200	5.2015-5.2025	2.30-1.80ore pm	4.73	5.90-5.40 pm	4.34
France	4.4800-4.5455	4.4800-4.4859	2.40-2.30c pm	6.26	6.55-6.30 pm	5.70
Sweden	4.5135-4.5235	4.5180-4.5190	2.10-1.90ore pm	5.31	6.10-5.90 pm	5.31
Japan	258.70-262.20	259.05-259.15	1.60-1.45y pm	7.06	3.45-3.30	5.21
Austria	13.98¼-14.11½	13.98½-13.99½	11.00-10.25gro pm	9.11	32.00-29.50pm	8.79
Switz.	1.8440-1.8750	1.8465-1.8475	2.00-1.90c pm	12.67	6.05-5.45 pm	11.91

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

April 8	Day's Spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1360-2.1690	2.1665-2.1675	0.17-0.27c dis	−1.22	0.60-0.70dis	−1.20
Canada	2.5340-2.5680	2.5660-2.5670	0.45-0.35c pm	1.87	0.90-0.80 pm	1.32
Nethlnd.	4.57-4.61½	4.60-4.61	3-2c pm	6.51	8-7 pm	6.51
Belgium	67.35-67.85	67.65-67.75	8c pm-2 dis	0.53	10-5 pm	0.55
Denmark	13.06-13.12½	13.11-13.12	0.50-0.25ore pm	0.30	8-9½ dis	−2.65
Ireland	1.1210-1.1255	1.1230-1.1240	0.08-0.02p pm	0.53	0.22-0.17 pm	0.69
W. Ger.	4.20-4.24	4.21¼-4.22¼	3½-2½pf pm	8.89	8½-7½ pm	7.94
Portugal	109.50-111.80	111.50-111.90	par-35c dis	−1.88	55-105 dis	−2.87
Spain	157.10-158.50	158.40-158.50	55-105c dis	−8.06	195-245 dis	−5.55
Italy	1,940-1,953	1,952-1,953	1½ lire pm-½ dis	0.31	2½-4½ dis	−0.72
Norway	11.13-11.25	11.24-11.25	3¾-2¼ore pm	3.07	10-8½ pm	3.29
France	9.67-9.75	9.72-9.73	4½-3½c pm	4.93	11½-10½ pm	4.52
Sweden	9.63-9.80	9.79-9.80	3.70-3.00ore pm	4.10	10.20-9.55 pm	4.03
Japan	555-565	561-562	2.90-2.45y pm	5.72	5.85-5.40 pm	4.01
Austria	30.00-30.30	30.22-30.27	25-15gro pm	7.93	62-52 pm	7.54
Switz.	3.98½-4.02½	4.00-4.01	4¾-3¼c pm	11.61	11¼-10¼ pm	10.74

Belgian rate is for convertible francs. Financial franc 70.15-70.25. Six-month forward dollar 1.22-1.32c dis, 12-month 0.70-0.80c dis.

CURRENCY RATES

April 3	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	Unavailable	0.602686
U.S. $	13	"	1.20517
Canadian $	14	"	1.54333
Austria Sch.	6¾	"	18.0547
Belgian F.	14	"	40.5971
Danish K	13	"	7.86558
D'Mark	7	"	2.53906
Guilder	9½	"	2.75250
French Fr.	9½	"	5.83475
Lira	10	"	1170.83
Yen	9	"	333.183
Norwgn. Kr.	9	"	6.71223
Spanish Pts.	8	"	94.5475
Swedish Kr.	10	"	5.83280
Swiss Fr.	3	"	2.40180

CURRENCY MOVEMENTS

April 8	Bank of England Index	Morgan Guaranty Changes %
Sterling	79.8	−32.0
U.S. dollar	91.8	−2.6
Canadian dollar	81.6	−17.2
Austrian schilling	100.9	+21.8
Belgian franc	113.6	+11.6
Danish kroner	104.4	−6.0
Deutsche mark	150.6	+43.0
Swiss franc	186.2	+73.5
Guilder	194.9	+18.9
French franc	99.4	−5.4
Lira	89.9	−51.2
Yen	118.8	+12.1

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

April 8	£	$		£ Note Rates
Argentina Peso	3763-3773	1749-1756	Austria	29.95-30.25
Australia Dollar	2.0190-2.0230	0.9330-0.9340	Belgium	68.85-70.45
Brazil Cruzeiro	103.33-104.33	48.14-48.34	Denmark	13.00-13.08
Finland Markka	8.4620-8.4759	3.9250-3.9300	France	9.66-9.79
Greek Drachma	90.145-99.071	49.10-49.30	Germany	4.20½-4.23½
Hong Kong Dollar	10.05½-10.07½	5.0900-5.0030	Italy	1940-1980
Iran Rial	n/a	n/a	Japan	559-564
Kuwait Dinar (KD)	0.588-0.598	0.2757-0.2766	Netherlands	4.57-4.60
Luxembourg Frc.	67.65-67.70	31.23-31.85	Norway	11.13-11.21
Malaysia Dollar	4.9996-5.0025	2.3200-2.3220	Portugal	107½-112
New Zealand Dlr.	2.3205-2.3255	1.0725-1.0735	Spain	151¼-159¼
Saudi Arab. Riyal	7.07-7.17	3.3290-3.3320	Sweden	9.68-9.72
Singapore Dollar	4.9550-4.9650	2.3000-2.3080	Switzerland	3.99½-4.02½
Sth. African Rand	1.7540-1.7550	0.8095-0.8100	United States	2.14-2.149
U.A.E. Dirham	7.94-8.04	3.7360-3.7390	Yugoslavia	50¼-52¼

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 8	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	39.7897	40.6338	+2.12	+1.02	±1.53
Danish Krone	7.72336	7.85114	+1.65	+0.55	±1.64
German D-Mark	2.48208	2.53462	+2.12	+1.02	±1.125
French Franc	5.84700	5.84328	−0.06	−1.16	±1.3557
Dutch Guilder	2.74362	2.75936	+0.57	−0.53	±1.512
Irish Punt	0.668201	0.675382	+1.07	−0.03	±1.668
Italian Lira	1157.79	1170.72	+1.12	+0.53	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

April 8	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.167	4.218	561.6	9.765	4.005	4.605	1963.	2.567	67.70
U.S. Dollar	0.461	1.	1.946	259.1	4.488	1.848	2.125	906.0	1.184	31.24
Deutschemark	0.237	0.514	1.	133.1	2.306	0.950	1.092	465.0	0.609	16.05
Japanese Yen 1,000	1.781	3.859	7.511	1000.	17.38	7.133	8.201	3477.	4.571	120.6
French Franc 10	1.028	2.228	4.337	577.4	10.	4.118	4.735	2008.	2.630	69.61
Swiss Franc	0.250	0.541	1.053	140.2	2.428	1.	1.150	487.5	0.641	16.90
Dutch Guilder	0.217	0.471	0.916	121.9	2.112	0.870	1.	424.0	0.557	14.70
Italian Lira, 1,000	0.512	1.110	2.160	287.0	4.981	2.051	2.359	1000.	1.314	34.67
Canadian Dollar	0.390	0.844	1.643	218.8	3.799	1.560	1.794	760.8	1.	26.38
Belgian Franc 100	1.477	3.201	6.230	829.4	14.38	5.916	6.808	2884.	3.791	100.

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.60-18.70 per cent; three-months 18.70-18.80 per cent; six months 18.55-18.65 per cent; one year 17.00-17.10 per cent.

April 8	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	—	18⅛-18¾	8½-9½	10¼-10½	23-25	7¾-7⅞	12⅝-19⅝	18-14	—	9-11
7 days' notice	—	18⅝-18⅞	8½-9½	10½-10¾	7½-8	8⅝-8¾	12⅝-12⅞	13½-15½	18 11/16-18 13/16	11¼-11¾
Month	18-18⅛	18⅞-19⅛	15½-15⅞	10⅞-11⅛	6 5/16-6 11/16	10 1/16-10 3/16	12⅞-13½	14½-15¼	20 3/16-19 7/16	12 1/16-12 7/16
Three months	18¼-18⅜	19 1/16-19 7/16	15⅝-16	11¼-11⅜	7⅛-7¼	9 15/16-10 1/16	13⅜-13⅝	17½-18	19 5/16-19 7/16	13⅝-13⅞
Six months	18⅛-18⅜	18 15/16-19 1/16	15⅝-16	11⅞-12⅛	7 7/16-7 11/16	10 3/16-10 5/16	14⅛-14⅜	18-18½	19⅛-19¼	13⅝-13¾
One year	17⅛-17⅜	17 1/16-17 5/16	16⅛-16½	12⅛-12⅜	7 5/16-7 9/16	10¼-10⅜	14¼-14½	17¾-18¼	17 1/16-17 3/16	11⅞-12⅛

Long-term Eurodollar two years 15¾-16 per cent; three years 15¼-15½ per cent; four years 15-15¼ per cent; five years 14¾-15 per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

INTERNATIONAL MONEY MARKET

European rates steady

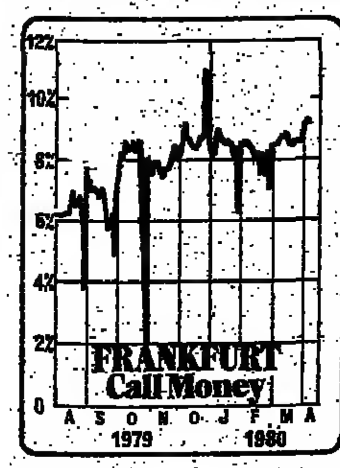
Interest rates showed little change on the first day after the Easter holidays, and the overall mood was little affected by President Carter's latest sanctions against Iran.

In Paris money rates were unchanged from Thursday with call money at 12½ per cent unchanged from previously. Call money has not been lower since late February, with the easier credit conditions reflecting in part the strength of the French franc. Longer term rates were also unchanged from Thursday.

In Frankfurt call money was quoted at 9.20-9.30 per cent against 9.20-9.50 per cent on Thursday. Period rates were slightly easier where changed, with one-month money at 9.20-9.40 per cent against 9.30-9.50 per cent, and three-month money at 10.25-10.45 per cent, compared with 10.30-10.45 per cent.

In Brussels the Belgian franc recovered from its lower levels within the EMS as high interest rates continued to support the currency after its recent decline. One-month deposits for the Belgian franc now command 17½ per cent, while six-month deposits were quoted as high as 17 11/16 per cent.

In Amsterdam interest rates were slightly easier, with call money at 11 per cent compared with 11¼ per cent. Conditions were easier yesterday after last week's tightening of short term liquidity ahead of the Easter weekend.



GOLD

Sharp rise

Gold rose $62 to close at $537-$542 in the London bullion market yesterday, following fears of further tension in the Middle East after the breaking of diplomatic links between the U.S. and Iran. The metal opened at $514-$519, the lowest level of the day, and was fixed at $518.40 in the morning, and $528 in the afternoon, before finishing at the high point of the day.

In Paris the 12½ kilo gold bar was fixed at FFr 75,000 per kilo ($513.11 per ounce) in the morning, compared with FFr 71,700 ($495.13) Thursday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 32,960 per kilo ($520.03 per ounce), compared with DM 30,920 ($491.94) previously, and closed at $537-542, compared with $475-480 on Thursday.

In Zurich gold finished at $535-$540, compared with $488-493 previously.

	April 8		April 3	
Gold Bullion (fine ounce)				
Close	$537-542	(£248-252½)	$475-480	(£222½-225)
Opening	$514-519	(£240½-243)	$485-490	(£225½-228)
Morning fixing	$518.40	(£249.943)	$491.96	(£228.580)
Afternoon fixing	$528	(£245.896)	$485.75	(£226.827)
Gold Coins				
Krugerrand	$554-559	(£255-258)	$495-501	(£230½-233½)
Mapleleaf	$550-560	(£253-258½)	$490-500	(£228-233)
New Sovereigns	$137-140	(£63-65)	$123-126	(£57-59)
King Sovs	$155-160	(£71-74)	$146-150	(£68-71)
Victoria Sovs	$155-160	(£71-74)	$146-150	(£68-71)
French 20s	$127-132		$122-125	
50 pesos Mexico	$645-655		$595-606	
100 Cor. Austria	$515-523		$470-480	
$20 Eagles	$630-640		$594-590	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Moderate help

Bank of England Minimum Lending Rate 17 per cent (since November 15, 1979)

Day to day credit was in short supply in the London money market yesterday, and the authorities gave assistance on a moderate scale. This comprised small purchases of Treasury bills and corporation bills, all direct from the discount houses, as well as a small amount lent to one or two houses at MLR, for repayment today. The market was faced with the large repayment of Thursday's market advances and a small net take up of Treasury bills to finance. Also banks brought forward balances a small way below target. On the other hand there was a moderate excess of disbursements over revenue transfers to the Exchequer.

Discount houses were paying up to 17 per cent for secured call loans at the start, but later balances were taken as low as 15 per cent. In the interbank market, overnight loans opened at 17½-17¾ per cent and traded for most of the day at 16¾-17¼ per cent. However, during the afternoon rates fell to 15-16 per cent before climbing at the close to 17-17½ per cent.

Rates in the table below are nominal in some cases.

MONEY RATES

NEW YORK

Prime Rate	20
Fed. Funds	19⅝-19⅞
Treasury Bills (13-week)	14.48
Treasury Bills (26-week)	14.34

GERMANY

Discount Rate	7
Overnight Rate	9.25
One month	9.30
Three months	10.35
Six months	10.50

FRANCE

Discount Rate	9.5
Overnight Rate	12.25
One month	12.6875
Three months	13.25
Six months	13.4375

JAPAN

Discount Rate	9
Call (Unconditional)	12.0625
Bills Discount (three-month)	13.8125

LONDON MONEY RATES

April 8 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	15-17¼	—	—	—	17⅛-17⅝	15-17	—	—	—
2 days notice	—	—	17⅞-18¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	17¾-17⅞	18⅛-18⅜	—	18¼	17⅞-18	10⅞-17	—	—	—
One month	18⅛-17⅞	17⅞-18	18¼-18⅜	18¼-18	18½	18¼-18⅜	15¾	16 3/16	18-18 1/16	18⅜
Two months	18¼-18 1/16	18 1/16-18 3/16	—	18⅛-17⅞	18⅝	—	16⅝	16 1/32	17 15/16-17⅞	18¼
Three months	18¼-18⅛	18¼-18⅜	18⅜-18⅛	19-18¾	18¾	18⅝	16⅝-16¾	16 5/16-16 7/16	17¾-17 13/16	18⅛
Six months	17½-17¾	17⅞-18	18⅛-18¼	17¾-17⅝	18½	18½	—	—	16¾-16 13/16	17⅛
Nine months	17⅛-17	17¼-17⅜	—	17¾-17⅝	17⅞	—	—	—	—	—
One Year	16⅞-16¾	16⅞-17	17¼-17⅜	17¼-17	17½	17⅜	—	—	—	—
Two years	—	—	16¾-17¼	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 16-16¼ per cent; four years 15⅞-16⅛ per cent; five years 15¾-15⅞ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 17½-17 9/16 per cent; four-month trade bills 17⅞ per cent.

Approximate selling rates for one-month Treasury bills 16 9/32-16¼ per cent; two-month 16 3/32-16 1/16 per cent; three-months 16⅛ per cent. Approximate selling rates for one-month bank bills 17⅞-17 25/32 per cent; two-months 17 23/32-17¾ per cent; three-months 17⅞-17 23/32 per cent; one-month trade bills 18⅛ per cent; two-months 18 per cent; and three-months 17⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from April 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.3039 per cent.

WORLD STOCK MARKETS

Wall St. above worst at noon

STOCKS ON Wall Street further retreated at the outset yesterday on continued worries over the Iran situation, inflation and the possibility of a harsh U.S. recession. However, there was a partial recovery by mid-day as lower prices attracted bargain hunting.

The Dow Jones Industrial Average, after falling 15.8 on Monday, was 5.29 lower at 13.30 am yesterday before rallying to 767.58 at noon, only a net 0.76 below the overnight level. The NYSE All Common Index managed a gain of 8 cents at $56.91 on balance, after further receding to $56.69, although declines retained an edge over rises at mid-session in the ratio of seven-to-six. Turnover remained moderaet, amounting to 17.81m shares, against Monday's noon figure of 16.89m.

International Paper lost ⅜ to $31¾ after stating that first-quarter net profits were only half of the year-ago level, and that the outlook for the rest of 1980 is clooded. American Broadcasting forecast a fall in 1980 net earnings and eased ¼ to $28¾.

Eeaboard Coastline slipped ¼ to $30¼ and Chessie System were unchanged at $28. The Justice Department has approved their proposed merger.

Some Oil stocks recovered from recent weakness. Volume leader Texaco picked up ½ to $32¼, Mobil 1¾ to $63¾ and Superior Oil 2¼ to $138. Gulf, which has signed a crude oil contract with Kuwait cutting its supply to 75,000 barrels a day from 500,000 barrels, nevertheless rose 1⅛ to $37½. Active Esson, however, shed ½ to $55.

Seagram rose 2¼ to $55½ on top of a 15-point jump on Monday when it received a $2.3bn offer for some of its U.S. oil and gas properties from Sun.

Gold and Silver issues firmed on rising Bullion prices. ASA added ⅞ to $41½, Dome Mines $2 to $55¾, Callahan Mining 1¾ to $25¾ and Engelhard Minerals ¾ to $26¾.

THE AMERICAN SE Market Value Index recorded an improvement of 17.52 at 233.29 at noon after volume of 1.65m shares (1.64m).

Oil and Mining shares were higher. Volume leader Atlas Consolidated "B" gained ½ to $4¾ and Gulf Canada 3¾ to $113½.

Closing prices for North America were not available for this edition.

Canada

Golds, other Minings and Oil and Gas issues mainly advanced early yesterday, but Canadian markets otherwise retained a downward bias. Trading was again moderate. The Toronto Composite Index rallied 8.7 to 1,793.6, while Golds climbed 109.9 to 2,297.1, Oil and Gas 33.4 to 3,838.5 and Metals and Minerals 12.9 to 1,798.0. However, Banks lost 1.52 to 291.45 and Papers 2.67 to 172.58.

Germany

Most shares declined, although volume was very light following the four-day holiday doe to investor caution over the international political situation. The Commerzbank index receded 6.8 to 673.2.

However, Schering rose DM 6.50 in Pharmaceuticals, Neckermann, in Stores, also DM 6.50, and Degussa DM 2.80, with dealers reporting some sizeable UK buying orders for these issues.

Daimler lost DM 3 in Motors, KHD DM 3 in Engineerings and Brown Boveri DM 2.50 in Electricals.

Public Authority issues were narrowly mixed, and the Bundesbank sold a nominal DM 31.7m of paper after selling DM 9.6m last Thursday.

Tokyo

Stocks turned broadly lower in fairly busy trading, in contrast to the market's recent uptrend.

Depressing sentiment was the overnight fall on Wall Street, President Carter's fresh moves against Iran and the yen's sharp depreciation against the dollar.

The Nikkei-Dow Jones Average retreated 54.52 to 6,682.54 and the Tokyo SE index 2.88 to 455.99. Falls on the First Market section outnumbered rises by 434 to 182 after volume of 360m shares, equalling Monday's turnover.

Mitsui, which is involved in a Japanese-Iranian joint petrochemical project, fell Y17 to Y328. Elsewhere in Trading Houses, C. Itoh lost Y14 to Y430 and Mitsubishi Y10 to Y643.

Nippon Oil, Y2,260, and Teikoku Oil, Y1,150, shed Y30 apiece, while among export-orientated issues, Sony declined Y30 to Y1,880, Hondu Motor Y10 to Y569 and Sharp Y11 to Y512.

Non-ferrous Metals, however, advanced in anticipation of a rise in international metal prices. Dowa Mining rose Y33 to Y701 and Mitsubishi Metal Y4 to Y212.

Hong Kong

Further undermined by interest rate worries, the market declined sharply in thin trading, leaving the Hang Seng index 13.16 weaker at 773.82.

Another depressant was talk of possible rights offers being announced by Hong Kong Land and Hutchison Whampoa when both report results this week.

HK Land receded 50 cents to HK$10.50 and Hutchison Whampoa 15 cents to HK$7.10, while Jardine Mathieson lost 40 cents to HK$13.80, Swire Pacific "A" 20 cents to HK$6.90 and HK Wharf HK$2 to HK$61.

Australia

Minings closed with a firmer bias while the Oils and Industrials sector made a mixed showing on the Sydney market yesterday. However, trading was very thin, affected by the continued holida closure of the Melbourne Exchange and an extended holiday for most institutional buyers.

The Metals and Minerals index gained 64.53 to 4,844.53.

Speculation that increasing tension over the U.S. hostage crisis would see a renewal of support for metals helped push up some Mining issues. Gold stock Kitchener put on 15 cents to A$1.20.

Reports that MIM was about to sign an A$700m coal deal with Japan helped the stock to finish 7 cents up at A$4.15.

Diamond stocks traded erratically ahead of the Ashton joint venture report, due later this week. Ashton Mining lost 5 cents to A$2.75, but CRA advanced 19 cents to A$5.14.

Johannesburg

Gold shares were firmer across the board of sympathy with the higher international Bullion price and also on thoughts that the increased U.S.-Iran tension would further raise demand for gold. Buffels moved ahead R2.50 to R32.50, East Prie R1.25 to R25.50 and FS Geduld R2.50 to R55.50.

Mining Financials followed gold prodocers higher, although Diamond issue De Beers eased 10 cents to R9.60. Platinums, Coppers and Industrials tended to improve, while Collieries were mixed.

Paris

Bourse prices generally lost ground on the overnight Wall Street setback and worries about the U.S.-Iran developments.

Declines led gains by a two-to-one majority in the French section, with Portfolios and Constructions the only sections showing signs of resistance to the lower trend.

BCT fell 10 per cent, while among other notably weaker issues were Sade, St. Louis, Peugeot-Citroen, Dumez, Kleber, Sagem, Galeries Lafayette, Creusot-Loire, CM Industries, Generale des Eaux and Sommer-Allibert, Chiers-Chatillon, in contrast, gained 7 per cent, while Locindus, La Henin, Elf-Gabon and UTA also attracted demand.

NEW YORK

Indices

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SOUTH AFRICA

SWEDEN

GERMANY

JAPAN

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

NEW YORK ACTIVE STOCKS

Brazil may reduce cocoa taxes

By Our Commodities Staff

THE BRAZILIAN Government will consider growers' demands for the elimination or reduction of export taxes on cocoa beans and prodncts, a Planning Ministry spokesman said in Brasilia yesterday.

He said Sr. Antonio Delfim Netto, the Planning Minister, had promised to find "a satisfactory solution." But the Minister indicated that the complete elimination of the tax was unlikely because it would result in lower prices on world markets.

The taxes were first imposed following a large Cruzeiro devaluation last December. They now stand at 16 per cent for beans, 8 per cent for liquor and 10 per cent fer cake and butter. The growers have suggested the beans tax ahould be cut to 8 per cent.

Brazil'a temporao cocoa crop is expected to total about 1.94m bags (60 kilos each) this year, the Cocoa Farming Recovery Plan Commission (CEPAC) said yesterday.

This is sharply down on last year's record 3.13m bags but higher than recent trade forecasts of 1.6-1.8m bags.

● Provisional figures show that West German prodnction of chocolate goods rose 6 per cent last year to 39,000 tonnes, the Agriculture Ministry said.

Coffee prices up

By Our Commodities Staff

LONDON COFFEE futures prices closed at their highest levels for four months yesterday as producer inspired price support buying continued to dominate the market.

The rise in New York on Monday, when London was closed, prompted higher opening levels, though these were somewbat lower than had been expected.

Prices eased during the day because of lack of buying interest bnt after a late upsurge ended near the day's highs. Jnst delivery coffee closed at £1,692.5 a tonne, up £29 from the pre holiday level.

Brazil'e decision not to raise its coffee export tax to compensate for last week'a 3.31 per cent Cruzeiro devalnation had virtually no impact on the market, dealers said.

Metals gain with Iran tensions

BY JOHN EDWARDS, COMMODITIES EDITOR

LONDON METAL markets opened on a firm note yesterday after the Easter holiday.

The rise in gold, and the general uncertainty created by President Carter's new measures against Iran, brought a general increase in values of both precious and base metals.

Silver and free market platinum both moved up sharply following the trend in gold. Traders said that new buying interest coincided with a technical reaction after the recent downward slide and this helped give prices an unexpected boost.

Platinum, in particular, rose more than expected gaining £31.75 to £292.20 a troy ounce.

Copper led the general upsurge in base metals on the London Metal Exchange. Cash wirebars moved up by £29.5 to £978.5 and the three months quotation gained £36.25 to £1,007.75 a tonne.

The rise came desplte a hefty last week, up by 3,725 to total of 121,650 tonnes.

This is the third consecutive weekly stocks increase and takea holdings to the highest level since mid-January. It was the biggest rise in stocks since January 1978.

Nevertheless the stocks increase in line with expectations and had already heen discounted.

In the U.S. Asarco announced it was lifting its domestic copper price by 2 cents to 95 cents a pound reversing the recent downtrend. But it also lowered its domestic lead price by 3 cents to 45 cents a pound.

In London, cash lead followed the upward trend in copper and gained £31.5 to £487 a tonne. This was despite news that Brittania Metals had lifted its cut in lead deliveries as a result of the strike ending at its Nerthfleet refineries last week.

The company expected to ship some 75 per cent of normal deliveries. As expected lead stocks in LME warehouses rese by 775 te 13,325 tonnes, but the cash price remalns at a subatantial premium to the three months quotation indicating a ahortage of nearby supplies still exists.

Cash zinc also moved to a premium over the forward quotation, gaining £26.25 to £342.5 a tonne—£3 above the three monthe price.

Aluminium stocks rose by 3,675 to 43,650 tonnes, and nickel by 606 to 7,278 tonnes. But tin stocks dropped by 130 to a total of 3,265 tonnes.

Brazil to increase soya crop by 50%

RIO DE JAINERO—Brazil's soyabean crop is likely to exceed 15m tonens this year and some crusbers see it reaching 16m, morethan 50 per cont up on last year's crop of 10.2m, soya analysts said.

Brazil is the world'e second largest soyabean producer behind the U.S.

Prospects for the national crop have improved because most producing areas are now showing signs of excellent yields, and the Rio Grande do Sul crop has recovered.

Agriculture Ministry officials in Rio Grande do Sul are putting the state crop at between 6.10 and 6.25m tonnes.

The Federation of Wheat and Soya Co-operatives, Fecotrigo, is still keeping to its estimate of 5.8 to 6m toenns for the Rio Grande crop.

Fecotrigo said the fall in prodnctivity caused by dryness in areas around Cruz Alta and Jnlio de Castilhos bad been offset by favourable yielda in other areas such as Passo Fundo and Palmeira das Missoes.

● The Hamburg-based weekly Oil World says world usage of soyabean meal is likely to rise 8.2 per cent in the 1979-80 season compared with a 6. per cent increase last season.

Lower prices relative to other meals and less-than-expected consumption of other meals is likely to take eoyabean meal usage to 58.9m tonnes in 1979-1980 from 54.4m last year, it says.

The most significant rise in oilmeal usage is expected in the USSR, where demand is forecast 15.2 per cent higher than in 1978-79, it adds. Reuter

UK buyers key to Rhodesian tobacco price

BY TONY HAWKINS IN SALISBURY

RHODESIA'S tobacca sales opened in public yesterday for the first time since the impositian of economic sanctions at the end of 1965.

A spokesman for the country'a 1,500 tobacco growers, Mr. Dow Bulloch, president of the Zimbabwe Tobacco Association, said he was "reasonably satisfied" with thefirst days sales at which 285,164 kilograms of leaf were sold at a daily average price of 86.22 Rhadeslan cents (U.S.$1.3).

During the sanctions period from 1965 ta 1979 sales were beld in secret with very little information on the volume of leaf and prices being published.

Prior to the impoaition of economic sanctions, Britain was far away and the most important huyer of Rhodesian Virginia flue-cured leaf, taking 60 per cent by valne of the crop in 1965 and more than 40 per cent by volume.

Considerahle interest and speculation centres on the extent of British buying in the 1980 sales.

Yesterday both Gallahers and Imperial were represented in the buying line where competition was described as "strong" by industry representatives.

The current year's crop is being estimated at just aver 100m kilograms—roughly the same as in 1979.

Last year tha average price was 82 Rhodesian cents a kilegram, while in 1978 the average price was higher at 99 Rhodesian cents.

Last year's prices were depressed by the fact that it was a very large crop of rather poor quality because of the drought. Following a second mid-season drought in the 1979-80 growing season, quality this year will again be lawer than normal, and the crop will again be large.

Buyers said hoth quality and prices were hetter than last year. Mr. Bulloch said that the lower qualities sold well yesterday, but that prices for the higher quality leaf were not as high as he had hoped.

"When one considers that next year's crop is financed on this season's sales, prices must improve for the better grades," he added.

It is impossible to assess the state of the market on the first day's sales, but there is clearly continuing anxiety on the partof the growers here as to the likely extent of British buying when the better quality leaf comes on in a month's time. It normally takes about six weeks ta assess market conditions.

Optimists in Salisbury are hoping fer a substantially higher average price this year af at least 125 Rhodesian cents (US$1.89) a kilogramme, arguing that the EEC duty-free preference, worth 20 cents a kilogramme to European huyers, should, on its own, push the price above the 100 Rhodesian cents level.

The Rhodesian leaf also has the added advantage of superb packing and processing facilities.

But because British buyers have diversified their sources of supply over the past 15 years and hecause there is concern on the part af buyers aver the continuity of supply from Rhodesia, it could well be that prices will be relatively disappointing in 1980.

Before the elections, overseas buyers hopeful of a Muzorewa victary were making promises of buying support. These may now not be fulfilled because of concern that white growers will leave the industry and the country because of Mr. Mugabe's victory.

Other factors depressing prices inclnde the stockpile of unsold leaf from last year. Dealers are reluctant to quantify this but it is believed to exceed half a normal year's production.

With internationally high interest rates, manufacturers are also cutting back on stocks.

All of this has led some Industry sources to conclude that the prices will not reach the 125 cent level this year.

But it is far too early yet to ferm any realistic assessment. Tohacco is the country's second largest single export, after gold.

U.S. ban pushes up sugar

By Our Commodities Staff

A RISE in world sugar prices yesterday waa attributed by London dealers mainly to the breaking off of U.S. diplomatic relations with Iran and tha banning of exports to that country.

Tbe U.S. does not export sugar te Iran but the news evidently impressed the speculators wbo are now a major influence on the sugar market.

Sugar prices have ahown an increasing tendency to reflect international pelitical developments in the way that metal pricea have always done.

On the London futures market the August position gained £6.375 to £251.125 a tonne. Tbe rise wae also thought to have been influenced by talk of Soviet and Chinese buying.

In the morning the London daily raw sugar price jumped £19 to £232 a tonne, partly reflecting reports of a bigh priced sale by a French trading bouse to Morocco.

French maize

PARIS — French maize plantings are likely to fall hy around 12 per cent this year to 1.77m hectares from 2m in 1979 if farmers plant as they planned in March, the Maiz Producers' Association said yesterday. Reuter

INDIAN TEA

Difficult times for growers

BY A CORRESPONDENT

THE TEA industry in Assam has been suffering considerabla anxiety and uncertainty because of the disturbed political situation and its impact on the State's economy. Tbe dislocation in Assam's infrastructure and the deterioration in law and order, it is feared, are likely to affect the production and prospects of the tea industry. Though Mrs. Gandhi's Government has taken soms Initiatives to tackle the problem arising from tbe infiltration of foreigners, a permanent and satisfactory solution does not seem to be in sight.

The West Bengal Cabinet recently adopted a resolution, "noting with deep concern the series of incidents of arson, assault, and murder on the minorities in Assam and Megbalaya and eviction from their homes." It pointed out that, despite the Imposition of President's rule, no effective steps bad been taken by the Central Government for checking the violent activities in Assam. The resolution appealed to Mrs. Gandhi to "defuse the dangerous situation in thesa strategic North Eastern States of India."

Against this background, Assam's tea industry bas been finding it difficult to concentrate attention on measurea for increasing production and improving productivity. The estates hsve been experiencing a severe shortags of coal, fertilisers, petrol, diesel and foodgrains. Though the Central Government bas been trying to augment the supplies of these items, the situatien is unlikely te improve substantially until the foreigners' issue is amicably eettled.

Assam produces the largest quantity of tea in India. Out of 571,323 tonnes produced in 1978, Assam accounted for 298,121 tonnes, West Bengal,(Tripura and some other north Indian States 142,756 tonnes, and South India 130,446 tonnes.

It is interesting to nota the remarkable growth of the Gauhati auction centre. In 1978/79 this Centre had a record turnover of 85.4m kilos of tea, an increase of 31.6m (58.8 per cent) over the preceding season. This was attributed to the fiscal burden imposed on buyers and sellers at other auction centres and to the heavy floods in Calcutta in September 1978.

The tea industry in Assam has been subjected to beavy taxation, bowever. The tax on a tea company in Assam works out to 65.10 per cent compared with 57.75 per cent for a comparable company manufacturing other goods. The industry's plea to the State Government to bring down this tax to reasenable levels bas gone unheeded.

Additional revenue is expected to accrue to Assam under the award of the seventh Finance Commission. Under this award, Assam's share ef the Union Government's excise revenue would be around Rs 370m (£20m) compared with Rs 180m which it would have received under the previous formula. The tea industry bad suggested therefore that the Assam Government should lower the rates of the agricultural income tax to the same level as the corporation tax. But, with the chaotic political eituation, there seems to be little prospect of the tea indnstry getting any fiscal relief in the near future.

Meanwhile, tea exports from India in the 1979-80 financial year have been much lower than in the preceding year. In April-December 1979-80, exports have heen estimated at 150m kilos against 130m in the same period of the previous year. The production target for tea has been tantatively fixed at 1.4bn kilos by the year 2000 so that adequate quantitiee will become available both for internal consumption and for exports.

It has been estimated that, to raise production to 1.4bn kilos, an annual investment of over Rs 600m will be needed at the current price level. But with the high rates of taxation, restrictiens on the availability of bank credit, inadequate assistance from the Tea Board and financial institutions, scarcity of land suitable for tea cultivation, and irregular supply of inputs, the industry may be prevented from reaching the production target.

A stable Government in New Delhi is a great advantage to the tea industry in enabling it to implement its davelopment programmes with confidence on a long-term basis. But tha active co-operation of the State Governments is also essential for ensuring the vigorous growth. From this point of view, the political instability in Assam and its repercussions on the State's economy are not conducive to the healthy development of the tea industry in the coming months.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Gained ground on the London Metal Exchange following the sharp rise in gold. Forward metal opened in the mid-£990s and moved up gradually to touch the day's high of £1,010 during the afternoon prior to closing the late kerb at £1,006. The market attracted good short-covering during the morning and reflected the buoyancy of Comex during the afternoon. The rise in stocks was in line with market forecasts and had little effect on sentiment. Turnover 26,700 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	960-2	+12	977-80	+29.5
3 months	989-90	+10	1007.5-8	+36¼
Settlem't	952	+12	—	.....
Cathodes				
Cash	952-4	+21.5	948-50	+37.5
3 months	966-8	+26	981-2	+40.5
Settlem't	954	+22	—	.....
U.S. Prod	—	.....	*94-102	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £959, 60, 61, three months £987, 88, 89, 90, 89, 90. Cathodes, cash £932, 34, three months £966. Kerb: Wirebars, three months £991, 92, 93, 94, 95, 94, 93, 92. Afternoon: Wirebars, three months £998, 99, 98, 98.5, 99, 99.5, 1,007, 08, 09, 10, 08, 07, 08. Cathodes, three months £982, 81. Kerb: Wirebars, three months £1,005, 07, 08, 08, 08, 07, 06, 07, 06, 05.

TIN—Firmer, reflecting the gains in other metals, an unexpected fall in warehouse stocks and the rise at Penang. Forward metal opened at £7,800 and moved up to close the late kerb at £7,850. Turnover 860 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7770-800	+30	7755-95	+25
3 months	7800-20	+35	7850-70	+85
Settlem't	7800	+50	—	.....
Standard				
Cash	7720-40	+27.5	7765-80	+70
3 months	7800-10	+40	7849-50	+73.5
Settlem't	7740	+35	—	.....
Straits E.	±$2320	+22		.....
New York	—	.....		

Morning: Standard, three months £7,810, 7,800, 10, 7,790, 7,800. Kerb: Standard, three months £7,800. Afternoon: Standard, three months £7,840, 50, 49. Kerb: Standard, three months £7,845, 40, 30, 40, 50.

LEAD—Moved ahead reflecting the sharp gains in gold and copper. Forward metal rose to £450 on the pre-market before easing back to £447 following the rise in stocks. However, fresh buying interest on the morning kerb and throughout the afternoon rings saw three months material touch £466. News that Asarco had cut its spot sales price by 3 cents caused a slight setback on the late kerb when the price dipped to £459.5. Turnover 11,100 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	466-7	+11	486-8	+31.5
3 months	462.5-3.5	+10	465-6	+22.5
S'ment	467	+11	—	.....
U.S. Spot	—	.....	*50	.....

Morning: Cash £465, 66, 67, three months £448, 49, 48, 49, 50, 51, 50, 50.5, 50, 51, 52, 53. Kerb: Three months £453.5, 53, 52, 53, 55. Afternoon: Three months £457, 58, 60, 59, 62, 63, 65, 64, 66. Kerb: Three months £465, 64, 62, 61, 60, 58, 57, 58, 60.

ZINC—Sharply higher owing to the strong gains in other metals coupled with a shortage of nearby supplies. Forward metal moved up gradually from £321 on the early pre-market to touch the day's high of £339.5 in the afternoon rings before easing on profit-taking to close the late kerb at £335.5. The technical shortage of nearby material eliminated the contango and established a backwardation of £3. Turnover 7,625 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	551-2	+15.2	342-3	+28.2
3 months	651-.5	+10.7	339-40	+12
S'ment	352	+10.0	—	.....
Primw'ts	—	.....	*39.5	.....

Morning: Cash £330, 31, 32, three months £323, 24, 25, 26, 30, 31, 32, 31, 31.5. Kerb: Three months £332. Afternoon: Cash £341, 42, 43, three months £335, 36, 37, 38, 39, 40. Kerb: [illegible]

CORAL INDEX: Close 425-430 (−3)

SILVER

Silver was fixed 88p an ounce higher for spot delivery in the London bullion market yesterday at £7.75. U.S. cent equivalents of the fixing levels were: spot $16.62, up $1.87; three-month $17.044, up $2.04; six-month $17.76, up $2.1; and 12-month $18.714, up $2.08. The metal opened [illegible]

90.25, Nov. 94.70-94.45, Jan. 98.30-98.30, March 101.70-101.70. Sales 176 lots of 100 tonnes.

HGCA — Locational ex-farm spot prices. Feed barley: S. East 93.50, S. West 94.00, W. Midlands 91.50, N. West 93.00. Other milling wheat: N. West 96.00.

The UK Monetary Coefficient for the week beginning April 4 is expected to remain unchanged.

PRICE CHANGES

In tonnes unless otherwise stated.

MEAT AND LIVESTOCK COMMISSION—Average fatstock prices at representative markets on April 8: GB—Cattle, 67.37p per kg lw (+1.56). UK—Sheep, 165.1p per kg est dc (+7.5). GB—Pigs, 69.0p per kg lw (+2.11).

Tax treatment conference

By Our Commodities Staff

A CONFERENCE on the tax treatment of companies and individuals undertaking commodity transactions is to he held in London next week.

The one-day event, organised by European Study Conferences, is aimed at professional advisers, commodity hrokers, traders and investors who use the commodity markets as tax-planning tools or for bedging against inflation and currency fiuctuations.

AMERICAN MARKETS

NEW YORK, April 7

GOLD ADVANCED the full limit on short-covering as the situation in Iran tightened further. Copper followed suit with trade buying while silver is still in a process of general liquidation except for the spot month. The livestock complex was sharply higher on reduced cattle marketings. Commodity house buying supported sugar at good gains. Dealer buying moved coffee up sharply while manufacturer pricing supported cocoa. Cotton finished mixed with nearby months showing good gains on favourable export figures. Early good advances in grains and soya complex were eroded steadily with most closes moderately lower or mixed, reported Heinold.

Cocoa—May 133.60 (132.50), July 132.40 (130.75), Sept. 133.66 (132.15), Dec. 29.71 (29.62), March 30.11, May —, July —, Sept. —. Sales 1,321.

Coffee—May 186.00-186.50, July 191.00-181.25, Sept. 195.50-196.50, Dec. 189.00-198.50, March 183.75-194.00, May 183.00-183.25, July 184.00, Sept. 185.00. Sales 2,261.

Closing prices for North America were not available far this edition.

Copper—April 89.90, May 91.00, June 92.70, July 94.00, Sept. 95.50, Dec. 98.90, Jan. 99.60, March 101.00, May 102.40, July 103.80, Sept. 105.20, Dec. 107.00, Jan. 107.60.

Cotton—May 92.50-82.80 (82.03), July 92.15-82.30 (81.40), Oct. 78.20, Dec. 74.75-75.10, March 76.00-76.50, May 77.00-77.50, July 77.25-77.75. Sales 7850.

Gold—April 520.0, May 518.6, June 526.5, Aug. 542.5, Oct. 558.5, Dec. 574.6, Feb. 590.5, April 606.5, June 622.5, Aug. 638.5, Oct. 654.5, Dec. 670.5, Feb. 686.5.

Orange Juice. May 89.50 (89.65), July 90.00 (90.15), Sept. 91.90, Nov. [illegible] 613.2, Jan. 641.0, April 668.0, May unquoted. Sales 617.

Silver—April 1525.0, May 1520.0, June 1560.0, July 1590.0, Sept. 1647.0, Dec. 1727.0, Jan. 1754.0, March 1808.0, May 1662.0, July 1916.0, Sept. 1970.0, Dec. 2040.0, Jan. 2064.0. Sales 10,500. Bullion spot 1495.00 (1488.00).

Sugar—May 21.00-21.50 (21.25), July 23.30, Sept. 24.13, Nov 25.03, March 25.00-26.00, May 25.40-26.00, July 25.75.

CHICAGO, April 7

Lard—Loose lard 12.00 cents per pound.

Live Cattle—April 62.05, June 63.60 (63.60), Aug. 63.10, Oct. 62.17, Dec. 63.70 (63.70), Jan 64.00, Feb. 64.40.

Live hogs—April 30.15-30.25, June 35.05, July 36.05, Aug. 36.00, Oct. 37.05, Dec. 40.30, Feb. 43.20, April 42.25, June 44.80.

Pork bellies—May 36.60-36.40, July 38.80-39.00, Aug. 36.55-36.60, Feb. 50.65-50.50, March 50.60, May 51.60.

Soyabeans—May 585-586 (586½), July 611½-610½ (610), Aug. 621, Sept. 631-630, Nov. 648-645½, Jan. 663½-664, March 683½, May 697½.

Soyabean Meal—May 163.2-163.5 (162.7), July 170.5-170.7 (169.9), Aug. 173.5-173.9, Sept. 176.4, Oct. 179.3, Dec. 183.5, Jan. 185.5-186.0, March 191.0, May 194.5-195.0, July 197.5-198.0.

Soyabean Oil—May 20.28-20.29 (20.46), July 20.98-21.00 (21.17), Aug. 21.30-21.35, Sept. 21.60-21.62, Oct. 21.90, Dec. 22.38, Jan. 22.60, March 22.95-23.00, May 23.40, July 23.80, March —.

Wheat—May 402-402½ (405½), July 409-410 (413¾), Sept. 423½ (427), Dec. 443-443½ (445¾), March 456½ (459¾), May 466 (467½).

WINNIPEG, April 7—Wheat: May 131.00 (131.00), July 129.70 (130.00), Oct. 127.10 (127.50), Dec. 126.20 (126.30).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce.

EUROPEAN MARKETS

Sugar (FFr per 100 kilo). May 2315-2320 b/s, July 2335-2370 b/a, Aug. [illegible]

£9.50, medium £8.50. Rede £2.00-£2.50. Saithe £2.80-£3.40.

INDICES

FINANCIAL TIMES

Apr. 3	Apr. 2	M'nth ago	Year ago
285.90	283.39	308.77	271.01

(Base: July 1, 1952=100)

MOODY'S

Apr. 7	Apr. 3	M'nth ago	Year ago
1131.9	1121.9	1320.5	1050.0

(December 31, 1931=100)

DOW JONES

Dow Jones	April 7	April 3	Month ago	Year ago
Spot	410.80	410.05	414.29	378.27
F'tur's	429.09	425.75	443.48	383.90

(Average 1924-25-26=100)

REUTERS

Apr. 8	Apr. 3	M'nth ago	Year ago
1724.9	1708.6	1738.0	1549.9

(Base: September 18, 1931=100)

Dutch backing for butter sales

HOLLAND'S MINISTER of Foreign Affairs, Dr. C. Van Der Klaauw, betlieves New Zealand should he allowed to continue sending hutter to Europe.

The Minister, who is visiting New Zealand to study the dairy and meat industries, said it was very important that the European market remained open. It was true, he said, that EEC agriculture had prohlems.

Many of New Zealand's problems over its exports of dairy produce and lamb were caused by the Common Agricultural Policy.

Equities unsettled by U.S./Iran and economic surveys but Gilts respond to selective investment demand

Account Dealing Dates
Options

*First Dealings	Declara-tions	Last Dealings	Account Day
Mar. 24	Apr. 10	Apr. 11	Apr. 21
Apr. 14	Apr. 24	Apr. 25	May 6
Apr. 28	May 8	May 9	May 19

* "New time" dealings may take place from 9 am two business days earlier.

Stock markets resumed after the Easter holiday in quiet and irregular fashion. The equity sectors were discouraged by increased international tension following the U.S. decision to break off diplomatic relations with Iran and by the publication of further depressing surveys about UK economic prospects. These adverse influences, however, failed to dampen selective investments in Gilt-edged securities which moved higher throughout the list.

Institutional inquiries for leading shares were negligible, partly reflecting extended post-Easter holidays, and small sales from other sources were none too well received. The latter had the effect of extending early losses of a penny or two to as much as sixpence in some leaders late in the evening. The FT 30-share index mirrored the trend with a loss of 2.0 at the 10.00 am calculation extended to one of 5.9 at the close of 426.7.

The temporary closure of the North Sea Thistle Field brought additional dullness to the Oil sector, in which one or two stocks were adversely affected by Iran's repost to withhold oil supplies from any country joining the U.S. in imposing economic sanctions. **Tricentrol**, 274p, and **Ultramar**, 524p, were particularly dull with falls of 14 on the Thistle Field oil leak, while **Shell** dropped 10 to 332p reflecting Iranian oil fears.

Re-investment of funds received from sales last week of **Treasury** 9½ per cent 1980, which matures on May 14 and was quoted ex-dividend yesterday, contributed to the firmness of short-dated Gilts and annulled the effects of the persisting credit shortage in Money markets. The Government broker was rumoured to have rejected a low bid for supplies of the short tap, **Exchequer** 13½ per cent 1983, which improved only 1/16 to 95 9/16 compared with rises ranging to ⅛ elsewhere.

Longer-dated stocks also showed gains stretching to ½ despite the possibility of a replacement long tap stock being announced on Friday. Variable coupon issues, however, sustained falls of ½ through switching into selected low-coupon maturities.

Traded options remained quiet and only BP attracted a reasonable business, contributing 122 trades to a total of 275. Last week's daily average amounted to 309.

Minster Assets down

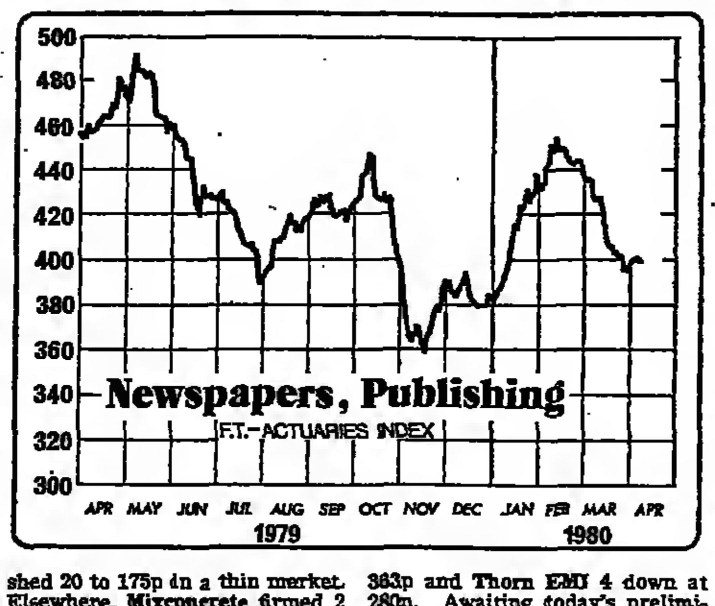
Minster Assets became a dull feature in merchant banks, falling 3½ to 45p on the announcement that its Minster Insurance subsidiary is to cease writing new life business from May 1. Following publication of the long-awaited bid terms from Hong Kong and Shanghai, dealings were resumed in **Antony Gibbs** and the close was a penny below the suspended level of 82p; HK softened a couple of pence at 118p. Up 23 last Thursday on news that the National Enterprise Board had agreed to discuss terms over the bank's £19.5m cash offer for Fairey Holdings, **Hambros** edged forward a penny further to 334p. Elsewhere, **Keyser Ullmann** gave up 2 to 55p as did **Guinness Peat**, to 98p, while **Kleinwort Benson** declined 4 to 138p. A firm market of late on talk of a bid from Citibank of the U.S., **UDT** fell 3 to 55p. The major clearers drifted lower for want of support. **Barclays**, 392p, and **NatWest**, 305p, declined 8 apiece, while **Midland** eased 7 to 308p and **Lloyds** relinquished 5 to 290p.

Sporadic offerings and lack of support in Insurances brought falls ranging to 5. **Royals** were that amount easier at 312p, as were **Sun Alliance**, at 549p. **GRE** eased 2 to 230p, after 228p, in front of today's preliminary results. **Pearl**, also awaiting annual figures today, cheapened 2 to 290p. Among Lloyds brokers, **Minet** lost a couple of pence to 99p on nervousness ahead of tomorrow's results, while **Willis Faber** dipped 5 to 230p with sentiment still soured by last week's disappointing trading statement.

Currently the subject of a Monopolies Commission probe following the 130p per share offer from Canadian concern Hiram Walker, **Highland Distillers** pleased the market by announcing first-half profits in excess of general expectations and rose 3 to 125p. Other Wines and Spirits, however, tended to lower levels. **Distillers** fell 3 to 196p and **Arthur Bell** 4 to 161p. Leading Breweries also drifted easier for want of attention. **Guinness** lost a couple of pence to 85p, while **Whitbread** gave up 3 at 137p. Suggestions that **Bass** is about to purchase Coral's hotel operations left the former 4 easier at 215p.

Erith became a bright spot in Building descriptions, rising 6 to 120p, after 121p, in response to the increased annual profits and proposed 100 per cent scrip issue. In sharp contrast, **Brown and Jackson**, a good market of late ahead of tomorrow's preliminary results, met profit-taking and shed 20 to 175p in a thin market. Elsewhere, **Mixconcrete** firmed 2 to 72p on the chairman's optimistic annual statement. Certain Timber issues succumbed to sporadic offerings, recent speculative counters **Montague L. Meyer** and **Mallinson-Denny** shedding a penny apiece to 102p and 63½p respectively.

Leading Chemicals turned dull as worthwhile support failed to materialise; **ICI** closed 6 lower at 366p and **Fisons** 2 off at 265p. Elsewhere, lack of interest left **Ellis and Everard** 3 cheaper at 119p.



Mail-orders flat

Small sellers again predominated among leading Stores which closed with falls to 8. **GUS "A"** shed that amount to 378p despite a weekend Press mention, while **House of Fraser**, 122p, and **British Home**, 262p, both gave up 3. Selected secondary issues attracted a reasonable business although most held at pre-holiday levels. **Albion** responded to a favourable Press with a jump of 5 to 27p, while **Helene of London** improved a fraction to 25½p in front of today's annual results. Mail-order counters were again friendless. **Empire** fell 4 to 150p ahead of today's preliminary statement, while **Grattan**, 74p, and **Freemans**, 122p, both eased a couple of pence. **Harris Queensway** encountered selling and gave up 2 at 193p, while **MFI**, 75p, and **B and Q (Retail)**, 76p, were also sold and fell 3 and 2 respectively.

Activity in the Electrical sector failed to expand from recent low levels. Leading issues drifted lower, **GEC** closing 6 cheaper at 363p and **Thorn EMI** 4 down at 280p. Awaiting today's preliminary results, **Dreamland** closed a penny easier at 55p.

Scattered offerings combined with the absence of support made for a quietly dull day in the Engineering leaders. **Hawker** drifted off to close 6 cheaper at 178p and **Tubes** eased 4 to 242p. **GKN**, 264p, and **John Brown**, 48½p, both shaded a few pence. Scattered losses were the order of the day elsewhere in the sector. Still reflecting the interim profits setback, **Yarrow** fell 10 more to 270p, while comment on the preliminary figures prompted fresh dullness in **Babcock International**, 2 lower at 91p. Smaller-priced issues to give ground included **Linread**, 2 cheaper at 33p, and **RCF**, 3 lower at 22p. Against the trend, **Hawthorn Leslie** were firm at 84p, up 3, while favourable Press mention lifted **Thomas Robinson** 5 to 83p.

Foods contributed to the generally dull trend. Among the leaders, **Tate and Lyle** shed 2 to a 1980 low of 124p and **Cadbury Schweppes** eased a penny to 63p. Supermarkets issues on offer included **J. Sainsbury**, 4 off at 288p, and **Tesco**, 1½ cheaper at 59½p. Elsewhere, **Associated Fisheries** eased 2 to 64p as bid hopes faded, while the lower half-yearly profits clipped a like amount from **Pyke**, to 51p.

Miscellaneous industrial leaders made a dull showing with a cheerless UK economic forecast combined with fresh concern about unrest in the Middle East deterring investment interest. **Bowater**, preliminary results tomorrow, gave up 3 to 166p, while **Glaxo** lost 4 to 244p ahead of annual figures which are due next Monday. **Beecham** issues were featured by **Siebe Gorman** which, at 175p, recorded a Press-inspired rise of 7. **Provincial Laundries** came in for some speculative support which left the ordinary 2½ to the good at 38p and the 12 per cent convertible 1986-88 30 higher at 350p. Still reflecting the chairman's recent optimistic remarks about current trading, **Hoover A** rose 5 more to 160p, while **Rowan and Boden** hardened a penny to 38½p in response to the increased dividend and profits. Press comment prompted improvements of about a penny or so in **Wedgwood**, 68p, **Associated Sprayers**, 64p, and **Pritchard Services**, 36p, while **Huntleigh** revived with a rise of 4 at 80p. An unsettled market of late following a Boardroom rift, **Camrex** softened 1½ more to 33½p. Falls of around 5 were seen in **E. Fogarty**, 69p, **Office and Electronic**, 243p, and **Sale Tilney**, 180p.

Among Leisure issues, **Coral**, at 77p, gave back last Thursday's gain of 3; the annual results are due on April 17.

Among subdued Paper/Printings, **Inveresk** firmed a fraction to 32p following Press comment, while **Geers Gross** added a couple of pence to 42p for a similar reason. Speculative interest was shown for **Woodrow Wyatt**, 3 dearer at 27p.

Business in Properties was at a low ebb and prices drifted lower through lack of attention. Falls of around 5 were marked against **Land Securities**, 287p, and **MEPC**, 189p, while **Great Portland Estates** shed 8 to 220p.

Oils on offer

The prospect of a further increase in North Sea oil prices failed to benefit Oil shares, sentiment being unsettled by the closure of the Thistle Field in the North Sea and the threat by Iran to cut off supplies of oil to any country which joins the U.S. in imposing economic sanctions. Among the participants in the Thistle Field, **Tricentrol**, 274p, and **Ultramar**, 524p, gave up 14 apiece, while **Burmah** fell 7 to 205p. Cautious weekend Press comment about the recent Marathon oil strike, prompted a reaction of 60 to 610p in **Siebens (UK)**. Elsewhere in secondary issues, **Lasmo**, 440p, and **Clyde**, 400p, gave up 10 and 6 respectively. Among the leaders, **Shell** weakened 10 to 332p and **BP** 6 to 364p.

Trusts followed the general downward trend in the equity sectors. Adverse Press mention caused a reaction of 8 to 47p in **Bremar**, while **Atlantic Assets**, down 7 at 150p, gave ground in sympathy with Oils. Among Financials, lower interim profits left **R. P. Martin** 5 cheaper at 35p.

Shippings trended easier, with **Furness Withy** reacting 4 to 371p on a revival of fears that the C. Y. Tung bid may be referred to the Monopolies Commission. **P and O Deferred** gave up 2½ to 114½p and **Ocean Transport** closed a similar amount cheaper at 108p.

Scattered offerings left Textiles easier for choice. **Small and Tidmas**, 70p, fell 10 in a narrow market following the halved full-year profits, while perennial take-over favourite **Sirdar** lacked support and were marked 8 lower at 84p. **Montleigh**, on the other hand, provided an isolated firm feature in closing 4 better at 58p on speculative buying.

Among firmer South African industrials, **Barlow Rand**, 395p, and **Abercom**, 125p both added 10, while gains of 5 were recorded in **Unisec**, 85p, and **South African Breweries**, 128p.

Plantations closed a shade easier with **Guthrie** falling 25 to 887p in the absence of bid developments.

Golds surge ahead

The worsening situation over the U.S. hostages in Iran and the increasing tension between Iraq and Iran prompted a rise in the bullion price of $62 to $539.50 an ounce and a consequent demand for South African Gold shares. The Gold Mines index advanced 25.5 to 312.9.

Share prices were marked up at the onset reflecting the good gains in overnight U.S. markets. They held steady during the morning and early afternoon and then moved ahead strongly as the gold price made fresh progress following the opening of the transatlantic markets.

Most of the late buying came from American sources although renewed local and Continental interest was also reported.

In the heavyweights, **West Driefontein** were outstanding with a rise of £3½ to £31 in front of the sharply increased profits in the last quarter, while gains of £2 and more were common to **Hartebeest**, £25½, **President Brand**, £16¾, and **Western Holdings**, £28½.

Financials made good progress although turnover remained at a low level. South Africans were featured by **"Amgold,"** £2¾ firmer at £34, **Anglo American**, 25 up at 540p and **UC Investments**, which put on 35 to 485p.

London Financials were quietly firm with **Gold Fields** 8 to the good at 476p and **Rio Tinto-Zinc** 7 up at 372p. **East Rand Consolidated** added 3 to 26p following the increased profits and proposed rights issue.

A sharp rise in the free market metal price encouraged good buying of Platinums. Gains of around 12 were common to **Impala**, 272p, and **Rustenburg**, 216p, while **Lydenburg** rose 5 to 130p. Australians moved up in line with the overnight Sydney market. Prices were marked up at the outset, but fell back during the morning on small selling. However, the late surge in gold encouraged good interest in the after-hours' trade. **Poseidon** registered a rise of 10 to 119p, while **Samantha** put on 4 to 78p. **Kitchener Mining** gained 5 to 60p on the agreement with CRA to explore and evaluate the Bamboo Creek gold mining leases held by the former.

FINANCIAL TIMES STOCK INDICES

	Apr. 8	Apr. 3	Apr. 2	Apr. 1	Mar. 31	Mar. 28	A year ago
Government Secs.	64.97	64.74	64.98	64.82	64.58	64.02	75.80
Fixed Interest	65.43	65.29	65.37	65.30	65.02	64.81	76.79
Industrial	426.7	432.6	432.1	432.4	427.0	421.5	535.7
Gold Mines	312.9	287.4	284.7	279.4	273.4	279.1	144.1
Ord. Div. Yield	8.16	8.02	8.02	7.97	8.07	8.17	5.40
Earnings, Yld. % (full)	19.94	19.66	19.66	19.66	20.01	20.26	14.28
P/E Ratio (net) (*)	6.16	6.24	6.24	6.24	6.12	6.05	8.91
Total bargains	17,225	24,666	33,566	33,990	25,475	22,402	—
Equity turnover £m	—	95.96	109.73	137.65	98.11	169.49	93.51
Equity bargains total	—	26,613	24,616	26,859	20,428	18,354	16,902

10 am 430.6. 11 am 428.3. Noon 428.1. 1 pm 427.7.
2 pm 427.0. 3 pm 426.2.
Latest Index 01-246 8026.
*Nil=5.88.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.26 (21/1)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	69.61 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.8 (13/2)	406.9 (3/1)	558.2 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (29/2)	265.5 (18/3)	442.3 (22/5/75)	43.6 (28/10/71)

S.E. ACTIVITY

	Apr. 8	Apr. 3
—Daily		
Gilt Edged	125.5	134.2
Industrials	115.0	145.1
Speculative	28.9	37.2
Totals	21.6	97.9
5-day Av'ge.		
Gilt Edged	128.7	127.2
Industrials	142.4	181.0
Speculative	39.6	41.9
Totals	94.7	95.0

NEW HIGHS AND LOWS FOR 1980

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (24)

BRITISH FUNDS (10)
Treas. 3½pc 1980 — Exchqr. 3pc 1981
Treas. 3½pc '77-80 — Treas. 3pc 1982
Fund'g 5½pc '78-80 — Treas. 14pc 1982
Treas. 9½pc 1981 — Exchqr. 12¼pc 1985
Exchqr. 8¼pc 1981 — Exchqr. 13¾pc 1987

BANKS (1)
Arbuthnot Latham

BUILDINGS (2)
Sett Brothers — Erith

STORES (1)
Cornell Dresses

ENGINEERING (2)
Hall Engineering — Hawthorn Leslie

INDUSTRIALS (3)
Bruntons (M'burgh) — Scottros
Hoover A

PAPER (1)
Wyatt (Woodrow)

PROPERTY (1)
Property Partnerships

TEXTILES (1)
Mountleigh

TRUSTS (1)
Clifton Invs.

MINES (1)
Marievale

NEW LOWS (101)

AMERICANS (1)
BUILDINGS (5)
BANKS (3)
CHEMICALS (2)
DRAPERY & STORES (4)
ELECTRICALS (7)
ENGINEERING (13)
FOODS (7)
HOTELS (2)
INDUSTRIALS (33)
INSURANCE (1)
LEISURE (3)
MOTORS (2)
PAPER & PRINTING (2)
SHIPPING (1)
SHOES (2)
TEXTILES (4)
TRUSTS (5)
OVERSEAS TRADERS (1)
RUBBERS (1)
TEAS (1)
MINES (1)

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section	Tues., April 8, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., April 3 Index No.	Wed., April 2 Index No.	Tues., April 1 Index No.	Mon., Mar. 31 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (173)	230.23	−0.9	19.25	6.90	6.55	232.36	232.81	232.44	229.96	274.60
2	Building Materials (28)	223.65	−0.7	18.11	7.04	6.96	225.30	225.49	226.69	222.33	258.49
3	Contracting, Construction (28)	348.72	−0.9	27.35	6.96	4.46	351.97	351.11	350.19	348.10	420.35
4	Electricals (16)	598.19	−1.1	13.72	4.22	9.64	605.00	606.86	607.16	600.30	666.81
5	Engineering Contractors (11)	272.94	—	27.70	9.41	4.62	272.94	273.35	270.28	270.83	403.64
6	Mechanical Engineering (74)	155.66	−1.2	22.09	8.49	5.72	157.52	157.75	157.42	155.89	203.71
8	Metals and Metal Forming (16)	159.82	−0.3	22.19	10.10	5.40	160.32	161.18	158.78	158.35	181.15
	CONSUMER GOODS										
11	(DURABLE) (49)	205.22	−0.9	16.53	6.28	7.46	207.02	207.61	206.36	204.95	250.31
12	Lt. Electronics, Radio, TV (14)	289.46	−1.0	12.98	4.73	9.84	292.33	293.73	291.60	290.18	340.74
13	Household Goods (14)	106.89	+0.5	27.65	10.31	4.27	106.37	106.09	104.06	103.73	177.88
14	Motors and Distributors (21)	102.86	−0.9	23.53	9.50	5.05	103.78	103.69	103.68	102.35	128.32
	CONSUMER GOODS										
21	(NON-DURABLE) (173)	209.96	−1.1	19.28	7.34	6.39	212.24	212.17	212.27	209.49	256.75
22	Breweries (14)	257.32	−1.7	17.18	6.83	6.83	261.85	262.58	261.39	258.22	293.74
23	Wines and Spirits (5)	288.70	−1.2	18.87	6.45	6.53	292.25	293.99	292.03	290.04	331.78
24	Entertainment, Catering (17)	285.71	−1.2	19.38	7.36	6.44	289.10	289.32	289.28	287.44	359.87
25	Food Manufacturers (21)	185.33	−0.7	21.13	7.90	5.81	186.59	186.37	187.36	185.26	224.61
26	Food Retailing (13)	291.27	−1.4	13.54	4.83	8.89	295.39	295.30	295.63	291.29	301.96
32	Newspapers, Publishing (13)	399.37	−0.5	25.43	7.54	5.36	401.58	401.93	399.88	394.62	465.67
33	Packaging and Paper (15)	124.45	−0.9	24.48	9.26	5.16	125.62	126.32	125.44	123.15	149.38
34	Stores (43)	209.98	−1.2	14.54	5.53	8.95	212.53	211.54	211.91	208.95	259.07
35	Textiles (24)	117.70	−0.6	30.65	13.09	4.07	118.38	119.30	120.80	120.26	179.58
36	Tobaccos (3)	201.58	−0.5	28.89	11.48	3.93	202.65	202.65	202.63	197.58	273.13
37	Toys and Games (5)	31.51	−1.2	47.71	16.10	2.58	31.89	30.50	30.80	30.36	96.83
41	OTHER GROUPS (97)	194.71	−1.3	18.07	7.51	6.62	197.36	197.61	197.26	194.80	223.36
42	Chemicals (16)	292.00	−1.2	21.26	8.22	5.39	295.47	296.41	296.38	291.82	312.15
43	Pharmaceutical Products (7)	192.81	−2.0	13.31	6.78	9.11	196.74	198.91	200.21	197.94	261.96
44	Office Equipment (6)	108.55	−1.3	19.54	7.55	5.90	109.97	110.39	109.56	108.31	148.18
45	Shipping (11)	452.78	−1.5	12.23	6.66	10.12	459.78	455.75	452.89	449.30	442.27
46	Miscellaneous (57)	228.66	−1.2	18.06	7.31	6.95	231.40	230.56	229.31	226.74	256.35
49	INDUSTRIAL GROUP (492)	217.73	−1.1	18.78	7.19	6.55	220.12	220.30	220.07	217.46	260.45
51	Oils (8)	732.20	−2.2	30.00	6.96	3.55	748.64	737.35	730.53	718.52	668.26
59	500 SHARE INDEX	258.37	−1.3	21.17	7.14	5.55	261.84	261.36	260.43	257.09	293.76
61	FINANCIAL GROUP (118)	186.37	−1.2	—	6.46	—	188.72	188.71	190.09	187.20	226.67
62	Banks (6)	201.01	−2.0	48.38	7.62	2.52	205.16	206.05	208.73	204.98	244.98
63	Discount Houses (10)	212.08	+0.1	—	9.41	—	211.87	213.61	212.00	211.65	268.97
64	Hire Purchase (5)	186.79	−1.7	17.59	5.32	7.38	189.99	191.60	192.39	188.61	192.26
65	Insurance (Life) (10)	165.76	−0.5	—	7.22	—	166.59	166.38	168.07	162.86	172.59
66	Insurance (Composite) (9)	120.98	−1.0	—	8.47	—	122.21	121.29	123.94	121.80	147.27
67	Insurance Brokers (10)	284.16	−1.1	17.35	7.17	8.12	287.38	286.70	291.40	283.01	325.26
68	Merchant Banks (14)	98.58	−1.1	—	6.33	—	99.63	98.58	98.37	98.32	97.57
69	Property (45)	356.34	−1.2	3.66	3.14	39.26	360.79	362.02	359.01	356.91	348.18
70	Miscellaneous (9)	127.37	−0.5	16.38	7.18	8.09	127.95	127.78	127.51	127.07	125.14
71	Investment Trusts (109)	203.67	−1.6	—	6.40	—	207.03	207.45	205.79	203.48	236.80
81	Mining Finance (4)	187.96	+1.7	12.26	4.70	9.90	184.88	188.59	185.54	180.74	131.48
91	Overseas Traders (19)	391.12	−1.4	12.92	6.89	9.48	396.58	399.48	396.17	389.58	368.33
99	ALL-SHARE INDEX (750)	241.36	−1.2	—	6.91	—	244.40	244.15	243.70	240.58	269.37

FIXED INTEREST PRICE INDICES

	British Government	Tues., April 8	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	101.57	+0.24	0.25	2.55
2	5-15 years	104.84	+0.44	—	2.68
3	Over 15 years	108.10	+0.46	0.54	3.38
4	Irredeemables	120.60	+0.37	—	1.78
5	All stocks	104.52	+0.37	0.30	2.85

FIXED INTEREST YIELDS

British Govt. Av. Gross Red.

			Tues., April 8	Thurs., April 3	Year ago (approx.)
1	Low Coupons	5 years	12.97	13.05	9.08
2		15 years	12.80	12.86	10.82
3		25 years	12.80	12.86	10.62
4	Medium Coupons	5 years	14.83	14.91	10.68
5		15 years	14.43	14.49	11.31
6		25 years	14.23	14.38	11.48
7	High Coupons	5 years	14.88	14.97	11.17
8		15 years	14.73	14.80	11.80
9		25 years	14.64	14.69	11.74
10	Irredeemables		12.37	12.41	10.45

		Tues., April 8 Index No.	Tues., April 8 Yield %	Thurs. April 3	Wed. April 2	Tues. April 1	Mon. March 31	Fri. March 28	Thurs. March 27	Wed. March 26	Year ago (approx)
16	20-yr. Red. Deb & Loans (15)	48.26	†14.99	49.26	49.26	49.27	49.27	49.29	49.34	49.74	60.96
16	Investment Trust Prefs. (15)	46.88	14.12	46.88	46.96	46.96	46.96	46.96	46.96	47.12	52.55
17	Coml. and Indl. Prefs. (20)	61.05	14.66	61.08	61.28	61.19	61.23	61.14	60.92	61.24	74.78

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Shell Transport	25p	9	332	−10	410	314
BP	25p	7	364	− 6	412	328
GEC	25p	7	363	− 6	388	326
ICI	£1	7	366	− 6	402	353
Premier Cons.	5p	7	69	− 2	87	39½
Allied Breweries	25p	6	71	− 1½	84	68
BAT Inds.	25p	6	235	—	271	226
Barclays Bank	£1	6	392	− 8	452	392
Imp. Cont. Gas	£1	6	700	−10	778	593
Imperial Group	25p	6	78	− 1	84	71¼
Midland Bank	£1	6	306	− 7	383	308
NatWest Bank	£1	6	305	− 8	373	305
RTZ	25p	6	372	+ 7	485	327
Turner & Newall	£1	6	104	− 2	142	98
BICC	50p	5	112	− 3	120	95

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	326	41	12	—	—	—	—	363p
BP	330	—	—	62	3	72	—	"
BP	350	16	63	—	—	—	—	"
BP	360	—	—	40	23	60	—	"
BP	375	6	10	—	—	—	—	"
BP	390	—	—	26	49	34	—	"
BP	420	—	—	13	2	24	—	"
Cons. Gold	420	60	12	82	5	—	—	473p
Cons. Gold	460	22	6	62	—	74	—	"
Cons. Gold	500	5	—	30	2	92	—	"
Cons. Gold	560	1½	—	14	2	30	—	"
Courtaulds	60	7½	—	10	—	11	13	65p
Courtaulds	70	2	—	3	6	7½	—	"
GEC	360	12	—	35	6	50	—	363p
Grand Met.	120	5	1	13	—	17	—	121p
Grand Met.	130	1½	—	6½	—	11½	20	"
Grand Met.	140	½	—	3	10	7	—	"
ICI	360	1½	2	17	—	27	—	367p
Marks & Sp.	80	2½	5	6½	—	11	—	67p
Shell	420	1	—	5	—	5	10	333p
Totals			70		111		43	
		May		August		November		
Boots	180	11	1	16	—	25	—	182p
Imperial Gp.	80	6½	5	6½	—	6	—	78p
Racal Elec.	160	42	9	47	—	—	—	219p
Racal Elec.	220	11	6	62	—	32	—	"
Racal Elec.	240	3	6	12	1	—	—	"
RTZ	330	47	5	75	—	85	—	369p
RTZ	360	30	1	53	—	70	—	"
RTZ	390	16	26	42	—	53	—	"
Totals			60		1		—	

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	81	3	8
Corpns., Dom. and Foreign Bonds	19	—	47
Industrials	104	398	885
Financial and Prop.	18	241	241
Oils	4	24	20
Plantations	—	12	16
Mines	85	10	59
Others	30	65	35
Totals	341	753	1,318

OPTIONS

DEALING DATES

First Dealing	Last Dealing	Last Declaration	For Settlement
Mar. 31	Apr. 11	Jul. 10	July 21
Apr. 21	May 2	Aug. 7	Aug. 18
May 6	May 17	Aug. 28	Sept. 8

For rate indications see end of Share Information Service.

Calls were dealt in Premier Oil, Courtaulds, Shell Transport, Lesney, Ultramar, FNFC, Comfort Hotels, UDT, Charterhall, Barker and Dobson, Howard Tenens, Dares Estates, Bath and Portland, LRC and Camrex. A put was done in BP, while doubles were arranged in Shell and Hestair.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p	+ or −	Div. p. or Amount	Times Covered	Gross Yield	P.E. Ratio
60	50p	—	140	83	Berkley Exploration	110	−5	—	—	—	—
**	F.P.	7/3	89	70	Lon.Merc'tSecs.Deld	70	.....	—	—	—	—
¶90	F.P.	—	101	94	Morley (R.H.) 10p	100	+1	b4.75	1.3	6.8	16.0
—	F.P.	—	34	28	Roche Plant 10p	28	.....	1.26	2.7	6.4	6.5
§10	F.P.	6/6	10¼	10½	Trst.ofProp.Shrs.5p	10½	.....	—	—	—	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
100p	F.P.	—	101	98	Edwards (L.C.) 8% Conv. Red. Cum. Pref	100	+2
—	—	2/9	112	105	Globe Inv Tst 11½% Conv Uns Ln '90-95	105	.....
¶¶	F.P.	30/5	56½	56½	Imp. Cont. Gas 8% Conv. Loan. 1995-2000	96½	+½
‡	Nil	8/5	2½pm	¼pm	Leigh Interests 10pc Conv. Uns Ln. 1994-95	¼pm	−¼
¶	F.P.	28/9	95⅛	93¼	Mid Kent Water 9% Red Pref. 1989	94	.....
101¼	£10	—	10½	10¼	Mid Southern 10% Red Prf. 1985	10¼	.....
¶	F.P.	24/4	97	95	Rk'm'nw'h & Uxbridge Wtr. 9% Rd Pf 1985	95	.....
¶	F.P.	30/5	99½	98½	Sutton District Water 10pc Red Pref. 1983	99½	.....

"RIGHTS" OFFERS

Issue Price p	Am'unt Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing price p	+ or −
135	F.P.	31/3	2/5	197	158	AGB Research	162	−2
223	Nil	—	—	80pm	63pm	Aran Energy	63pm	−15
330	F.P.	—	—	381	316	Cluff Oil	316	−5
R15	Nil	—	—	180pm	78pm	General Mining	100pm	.....
60	F.P.	3/1	24/1	845	660	Hammerson Prop. A	785	.....
48	Nil	28/4	23/5	17pm	15pm	Howard Tenens	16pm	−2
60cts	Nil	—	—	435pm	180pm	Pancontinental	275pm	.....
68	F.P.	—	13/6	70½	68½	United Biscuits	70	+1¼
110	Nil	23/4	13/6	12pm	12pm	Watmoughs	12pm	.....

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. p‡ Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. ‡ Dealings under special rule.

هكذا من الأصل

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. | US$9.51 | 9.72 | — | —
Prices on March 24. Next dealing April 12.

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (C.I.). 0534 73494
TSB Gilt Fund | 88.0 | 91.0 | — | 13.20
TSB Gilt Fd. (Jsy.) | 88.0 | 91.0 | — | 13.20
Prices on April 9. Next sub. day April 16.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	46.9	50.5	-1.1	1.96
Abbey Capital	35.0	37.4	-0.3	6.00
Abbey General	45.4	48.4	-0.3	6.09
Abbey Gilt & F.I. Tst.	99.8	106.2	+0.3	4.71
Abbey Income	40.7	43.7	-0.2	8.98
Abbey Intl. Bd. Tst.	93.7	99.2	-0.3	5.59
Abbey Inv. Tst. Fnd.	35.7	38.0	-0.3	6.46
Equitas Prog. Trust	67.5	73.0	-0.4	6.34

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	89.5	94.3	.....	13.38

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	72.7	77.8	-0.3	6.17
Brit. Inds. Fund	67.0	71.7	-0.4	6.29
Growth & Income	40.3	43.1	-0.2	5.82
Elect. & Ind. Dev.	36.1	38.6	-0.2	5.44
Allied Capital	73.1	78.2	-0.4	5.75
Hambro Fund	113.8	121.8	-0.7	6.63
Hambro Acc. Fund	139.3	149.1	-1.0	5.63

Income Funds

High Yield Fd.	65.0	69.5	-0.3	10.45
High Income	67.0	71.7	-0.3	9.23
A. H. Eq. Inc.	39.7	42.5	-0.1	8.45

International Funds

International	26.5	28.4	-0.1	3.81
Pacific Fund	42.7	45.7	+0.2	2.71
Secs. Of America	55.4	59.3	-0.7	2.36

Specialist Funds

Smaller Co.'s Fd.	47.1	50.4	-0.2	4.66
2nd Smlr. Co's Fd.	54.9	58.7	.....	4.86

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. Mar. 21	203.9	217.5	.....	5.65

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.4	19.3	.....	7.18
Gt. Winchester O'seas	20.3	22.6	.....	5.43

Emson & Dudley Tst. Mngmnt. Ltd.
20, Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	77.4	83.2	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	70.4	74.3	-0.6	5.64

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	23.4	24.7	.....	1.80
Fixed Interest	25.2	26.0	.....	14.00
Growth + Income	28.6	30.2	.....	8.18
Special Sits.	27.2	28.7	.....	5.48

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	25.7	27.4	.....	2.38
Accum. Units	31.2	33.5	+1.3	2.33
J. Finlay High Income	31.2	33.5	+0.2	10.59
J. Finlay Euro.Fin.	19.5	21.0	+0.1	4.09
Accum. Units	24.7	25.9	+0.1	4.09
J. Finlay Fd.In.Tst.	30.5	32.8	+0.3	5.76
Accum. Units	36.8	39.6	+0.4	5.76

Prices on April 2. Next dealing April 9.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American Apr. 8	48.4	51.4	+1.8	1.40
Am. T'around Apr. 8	46.8	49.6	+1.4	2.00
Capital Tst.	50.4	53.6	.....	5.06
(Accum. Units)	51.2	54.4	.....	5.06
Extra Income Trust	47.0	49.8	.....	10.57
Income Tst.	35.8	38.0	.....	8.75
Int. Growth Fd.	41.0	42.6	-0.2	2.31
(Accum. Units)	43.4	46.0	-0.4	2.31

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	57.2	58.4	-0.3	5.05
Do. Accum.	64.9	69.4	-0.5	5.05

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

1980 High	Low	Stock	Price £	+ or –	Int.	Red. Yield
98½	96½	FFI 13pc 1981	97	......	13.40	16.81
96¼	93½	Do. 14pc '83	94½	......	14.78	15.87
84½	79½	ICFC 5½pc Deb. '80-82	82xd	......	6.68	14.69
74½	71½	Do. 6¾pcDb. '81-84	73½	......	8.32	15.35
86½	80½	Do. 10¼pc Uns.Ln. '86	85½	......	12.66	15.05
85	77	Do. 11pc Uns.Ln. '88	84½	......	13.45	14.55
88	82	Do. 11¾pc Uns.Ln. '90	86	......	14.15	15.10
61	56	Do. 7¼pcADeb. '89-92	58	......	13.10	15.20
61	51½	Do. 7¼pcA Db. '91-94	55xd	......	13.18	14.90
72	64½	Do.9pc'A' '91-94	65xd	......	13.84	15.00
65½	61	Do.3¾pcLn. '92-97	62½xd	......	14.20	14.85
95	84½	Do. 12½pc Uns. Ln. 1992	86½xd	+½	14.53	15.05

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING, INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY

Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.

Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.

Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922

Bonn: Presshaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039

Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037

Cairo: P.O. Box 2040. Tel: 938510

Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321

Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120

Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234

Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545

Lisbon: Praca de Algeria 58-10, Lisbon 2. Telex: 12533 Tel: 362 508

Madrid: Espronceda 32, Madrid 3. Tel: 441 6772

Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381

Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 53513-68.

Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635

New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625

Paris: 36 Rue du Sentier, 75002. Telex: 220044 Tel: 236.57.43

Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314

Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88

Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920

Washington: 914 National Press Building, Washington D.C. 20045 Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922

Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4139

Leeds: Permanent House, The Headrow. Tel: 0532 454969

Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381

Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1

New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300

Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01

Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East. For further details, please contact: Overseas Advertisement Department, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London, Frankfort and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OIL & GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
430	275	Coronation	310xd	+5	†Q54c	2.2	10.0
680	520	Falcon Rh.50c	670xd	......	†Q100c	1.7	11.5
47	34	Rhod'n Corp. 16½p	38	......	0.56	8.5	2.1
267	160	Roan Cons. K4	270	......	†Q0.12	♦	4.5
65	54	Wankie Col. Rh1	57	......	†Q9c	1.5	11.3
54	28	Zam.Cpr.SBD0.24	30	+2	—	—	—

AUSTRALIAN

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
25	21	Acmex 50c	25	+2	—	—	—
24	12	ACM 20c	19	−2	—	—	—
115	70	Bond Corp.	70	......	Q3.75	2.2	2.7
234	132	Bougainville 50 Toea	168	+3	Q57½c	♦	12.5
265	195	BH South 50c	220	......	♦—	—	—
25	11½	Canada Northwest	15	......	—	—	—
42	8	Carr Boyd 20c	23	......	—	—	—
£26	£15¾	Central Pacific	£22¾	+¼	—	—	—
356	230	Conzinc Riotinto 50c	250	+6	Q15c	♦	3.0
39	17	Cultus Pacific N.L.	27	+1	—	—	—
50	20	Eagle Corp. 10c	24	......	—	—	—
26¼	15¾	Endeavour 20c	20½	......	—	—	—
258	175	G. M. Kalgoorlie 25c	230	+5	†Q5c	—	0.8
372	260	Hampton Areas 5p.	320	−5	3.5	2.0	1.5
45	30	Hoome Gold N.L.	40	......	—	—	—
72	41	Metals Ex. 50c	60	+1	—	—	—
312	194	M.I.M. Hldgs. 50c	205	+4	†Q16.1c	1.8	4.0
38	18½	Minefields Expl.	32	......	—	—	—
155	60	Mount Lyell 25c	89	......	—	—	—
28	15	Newmetal 20c	19	+1	—	—	—
35	12	Nickelore N.L.	23	......	—	—	—
207	138	North B. Hill 50c.	143	......	†Q12c	1.4	4.2
80	44½	Nth. Kalgurli	50	+5	—	—	—
165	90	Nth. Mining Corp.	122	......	—	—	—
43	24	N. West Mining N.L.	33	......	—	—	—
225	158	Oakbridge SA1	158	−2	Q12c	4.7	3.9
122	73	Otter N. L.	73	......	—	—	—
230	138	Pacific Copper	192	......	—	—	—
465	275	Pancont'l 25c	300	......	—	—	—
78	46	Paringa M&Ex.5p	48	+1	—	—	—
495	345	Peko-Wallsend 50c	355	......	†Q17.5c	♦	2.5
290	140	Seltrust A	160	......	—	—	—
£10¼	575	Southern Pacific	825	......	—	—	—
75	31	Swan Resources 20c.	45	−2	—	—	—
15	12	West Coast 25c	12	......	—	—	—
264	177	Westn. Mining 50c	220	......	†Q7c	1.6	1.9
30	10	Westmex	15	......	—	—	—
94	56	Whim Creek 20c	60	......	—	—	—
24	10½	York Resources	15	......	—	—	—

TINS

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
34	26	Amal. Nigeria	31	......	†5.0	1.9	27.6
345	270	Ayer Hitam $M1	270	−5	†Q290c	8.9	‡
67	48	Beralt Tin	49	......	4.5	♦	13.1
185	149½	Berjuntai $M1	165	......	†Q95c	1.0	‡
230	153	Geevor	205	......	8.71	3.1	6.1
11	10	Gold & Base 12½p	10	......	—	—	—
365	310	Gopeng Cons.	320	......	25.0	1.8	10.8
310	280	Hongkong	300	......	35.57	♦	17.1
105	90	Idris 10p	93	......	28.0	♦	11.7
15	14	Jantar 12½p	15	......	—	—	—
77	64	Kamunting $M0.50	70	......	Q47½c	1.1	15.2
320	300	Killinghall $M1	320	......	Q100c	♦	6.5
670	485	Malay Dredging $M1	625	−15	mQ105c	2.6	3.6
33	26	Pahang	26	......	0.44	0.3	2.3
108	92	Pengkalen 10p	92	......	6.0	1.3	9.3
290	230	Petaling $M1	260	−5	Q150c	1.4	11.7
78	57	Saint Piran	62	......	‡Q2.5	6.4	‡
44	32	South Crofty 10p	32	......	‡3.0	2.0	‡
255	180	South Kinta $M0.50	215	......	Q150c	1.8	14.5
400	340	Stha Malayan $M1	395	+20	†Q175c	2.1	9.6
295	215	Sungei Besi $M1	250	......	†Q520c	1.8	42.4
49	28	Supreme Corp. $M1	42	......	2010c	—	4.2
100	95	Tanjong 15p	95	......	24.5	♦	6.8
95	80	Tongkah H. Tin	80	......	Q45c	1.3	12.6
275	220	Tronoh $M1	225	+5	†Q25c	5.2	2.3

COPPER

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
235	130	Messina R0.50	183	+4	Q10c	♦	3.0

MISCELLANEOUS

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
160	78½	Anglo-Dominion	145	+5	—	—	—
97	58	Barymin	72	+2	—	—	—
14½	12	Burma Mines 17½p	13½	......	—	—	—
502	330	Cons. Murch. 10c.	370	......	‡Q100c	1.8	15.5
585	325	Northgate C$1	370	−10	—	—	—
485	327	R.T.Z.	372	+7	†11.5	3.4	4.4
33	16	Robert Mines	25	−1	—	—	—
58	27	Sabina Inds. C$1.	54	+3	—	—	—
650	485	Tara Exptn. $1	585	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ✱ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ✱ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♦ Regional price.
- § No par value.

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. L Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	23	......
Bertam	37	......
Bdg'wtr. Est. 50p	300	......
Clover Croft	69	......
Craig & Rose £1	£15½	......
Fife Forge	32	......
Finlay Pkg. 5p	21	......
Graig Ship. £1	350	......
Higsons Brew.	75	......
Holt (Jos) 25p	255	......
I.O.M. Stm. £1	116	+5
Pearce (C. H.)	135	......
Peel Mills	37	......
Sheff. Refrshmt.	97½	......
Sindall (Wm.)	165	......

IRISH		
Conv. 9% '80/82	£86	......
Nat. 9¾% 84/89	£71	......
Fin. 13% 97/02	£78⅞	......
Alliance Gas	59	......
Arnott	320	......
Carroll (P.J.)	99	......
Clondalkin	107	......
Concrete Prods.	80	......
Heiton (Hldgs.)	36	......
Ins. Corp.	250	......
Irish Ropes	80	......
Jacob	94	−1
T.M.G.	156	−2
Unidare	100	−3

OPTIONS
3-month Call Rates

Industrials

A. Brew	8
BOC Intl.	6
B.S.R.	5
Babcock	12
Barclays Bank	30
Beecham	13
Blue Circle	25
Boots	17
Bowaters	16
B.A.T.	25
Brown (J.)	7
Burton 'A'	22
Cadburys	5½
Courtaulds	8
Debenhams	8
Distillers	21
Dunlop	5½
Eagle Star	14
F.N.F.C.	2½
Gen. Accident	21
Gen. Electric	30
Glaxo	40
Grand Met.	12
G.U.S. 'A'	30
Guardian	23
G.K.N.	22
Hawker Sidd	16
House of Fraser	12
I.C.I.	32
"Imps"	7
I.C.L.	45
Inveresk	5
Ladbroke	15
Legal & Gen.	14
Lex Service	10
Lloyds Bank	28
"Lofs"	3½
London Brick	6
Lucas Inds.	10
"Mams"	14
Mrks. & Spncr	9
Midland Bank	30
N.E.I.	5
Nat. West. Bank	32
P & O Dfd.	9
Plessey	16
Racal Elect.	20
R.H.M.	4½
Rank Org.	18
Reed Intnl.	17
Sears	5½
Tesco	7
Thorn	25
Trust Houses	14
Tube Invest.	27
Unilever	40
U.D.T.	4
Utd. Drapery	9
Vickers	14
Woolworths	6½

Property

Brit. Land	7
Cap. Counties	9
Land Secs.	25
MEPC	17
Peachey	13
Samuel Props.	12
Town & City	2

Oils

Brit. Petroleum	38
Burmah Oil	20
Charterhall	12
KCA	11
Premier	12
Shell	35
Tricentrol	35
Ultramar	50

Mines

Charter Cons.	18
Cons. Gold	52
Lonrho	12
Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES

Wednesday April 9 1980

Iraq ready to seize oil route

BY IHSAN HIJAZI IN BEIRUT

PRESIDENT Saddam Hussein's regime in Iraq has completed military plans for seizing control of three strategic islands in the Gulf from Iran. The islands command the Hormuz Strait, the crucial route for oil bound for the west.

Arab diplomats believe that Iraq also intends to challenge Iran's right to use the Shatt-al-Arab waterway freely, and express concern that the two countries may be heading for a war of attrition.

Baghdad's hostility towards Tehran is complicating matters for the Iranian Government. President Abol Hassan Bani-Sadr, of Iran is trying to devote his attention to the crisis with the U.S.

Iran has created a refugee problem for Iran by deporting hundreds of Iranians during the past few days in the wake of two bomb explosions in Baghdad for which Iranians were officially blamed.

The Iraqi moves appear to be aimed at enabling Baghdad to renew its claim to the islands of Abu Musa, Greater and Smaller Tunbs, which Iran occupied in 1971.

Iraq has backed up its claim by sending a letter to Dr Kurt Waldheim, United Nations Secretary-General, challenging Iran's continued presence in the three islands.

Mr Sadegh Qotbzadeh, Iran's Foreign Minister, has countered by declaring that he will never give up "one centimetre" of the islands.

Baghdad has called for revision of a 1975 agreement with Tehran which gave an equal share with Iraq in sovereignty over the Shatt-al-Arab, the estuary forming part of the common border between the two neighbours.

Iraq says its made the concession in return for a promise by the Shah then to discontinue aid to the Kurdish insurgents in Northern Iraq.

Arab diplomats say that contingency plans for an Iraqi landing on the three islands and for re-establishing Iraqi military presence in Shatt-al-Arab will probably be put into effect as soon as the Iraqi Navy receives the new gunboats it had ordered from France and Italy. A few of these boats are due to be delivered this year.

Travellers from Iraq have reported that camps for training Iranians of Arab extraction in military activity have been set up near the border with Iran.

These Iranians are members of the Arab minority in Khuzestan. Leaders of this minority have been pressing for autonomy within the Iranian Republic. They have been blamed by Tehran for numerous attacks on oil pipelines in Iran.

Continued from Page 1

Saudi deals

That involved a commission of at least \$10 a barrel when the official price was only \$18. The U.S.-based oil broker making the approach to the UK company had a valid Petromin registration number and a leading U.S. bank was prepared to guarantee a bid bond on its behalf. The company claimed to have no less than 500,000 b/d at its disposal.

Saudi princes, using their royal muscle, are understood to be the main beneficiaries of the premiums being paid under a number of direct contracts being fulfilled by Petromin. The state-owned oil agency, however, is not involved in the payment of the commissions and receives only the official rate.

Contracts are arranged by intermediaries representing powerful members of the ruling family who approach oil-hungry clients and have the necessary influence. A directive is then sent by the Royal Court to Petromin to supply the oil to the customer. The latter pays the commission into a separate bank account on behalf of the go-betweens.

Sometimes the exact status and influence at the Royal Court of the Saudis involved in these daisy-chain negotiations and transactions are in doubt.

The tactic employed by those whose credentials in the power centre are less than convincing is to propose to the prospective customer that he should sign a letter addressed to Crown Prince Fahd. The drafts presented contain words of fullsome support on the question of Palestine and, with reference to the profits of the major oil companies, suggestions that oil be diverted from them.

The opportunities presented to leading members of the Royal family by the increase in Petromin's marketing operations come at a time when their involvement in business—cutting in on agents' fees far beyond the maximum 5 per cent theoretically permitted—is becoming a source of open resentment and criticism.

Gold heads rise in metal market

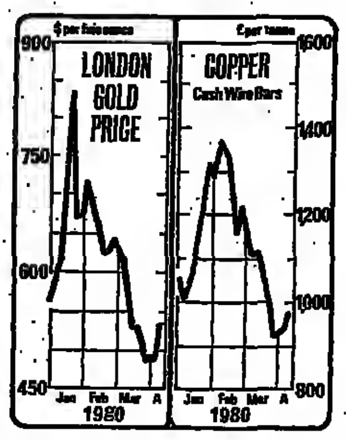
BY JOHN EDWARDS, COMMODITIES EDITOR

GOLD LED a general rise in London metal market prices yesterday, reacting to President Jimmy Carter's new measures against Iran, and growing political tension in the Middle East.

The gold price jumped by \$62 to \$539.50 a fine ounce and that rise, combined with nervousness about the Middle East situation, brought higher prices for silver, platinum and the base metals.

Free market platinum rose by £31.75 to £292.20 a troy ounce. Silver was raised by 37.5p to 775p a troy ounce at the London bullion morning fixing and moved further ahead to close just below 800p.

On the London Metal Exchange copper cash wirebars gained £29.5 to reach £978.5 a tonne, while the three months quotation was £36.25 up at £1,007.75 a tonne. There were significant price increases too for lead, tin and zinc.



Traders felt, however, that the significance of the rises should not be exaggerated; upward reaction was overdue after the recent sharp price falls in all markets.

Peter Riddell, Economics Correspondent, adds: Financial pressures in the London money market remained tight yesterday. Consequently, it looks increasingly likely that the Bank of England will have to consider extending, for the second time, its £500m loan to the clearing banks.

The loan, involving a temporary switch of holdings of gilt-edged stock, is due to end on Monday and an announcement about its future may be made today.

The shortages of liquidity yesterday resulted in a rise in very short-term interest rates, though rates for periods of three months or more eased slightly. These pressures have arisen because of an unusually long period of heavy payments of taxes and other sums to the Exchequer as well as calls on partly paid gilt-edged stocks. The authorities regard the shortages as temporary, albeit long drawn-out.

Commodities, Page 27

Lloyds may sell French branches to Barclays

By Michael Lafferty, Banking Correspondent

BARCLAYS BANK is having talks with Lloyds Bank International over the possible acquisition of LBI's nine retail bank branches in France.

The plan reflects continued moves to rationalise the activities of LBI, the Lloyds subsidiary which is involved in wholesale banking in London and retail banking in a number of other countries, principally South America.

Earlier this year LBI closed down retail banking and broking operations in the Netherlands.

LBI said yesterday that it had decided to sell its French branches to concentrate resources on the expansion of international banking services to French corporate customers.

It also plans to place more emphasis on investment advisory and portfolio management services in France.

Mr. Leonard Kingshott, executive director of LBI's European division, said last night that, other than in South America, it was LBI's policy to gear itself to the sections of the wholesale market where it has particular strengths.

Acquisition of the LBI branches would add about a third to Barclays' existing retail banking business in France. The Barclays subsidiary in France is involved in financing industrial and commercial businesses as well as the private customer market.

Apart from the retail branches whose sale is now under discussion, Lloyds has a head office and branches in Paris, Cannes and Monte Carlo, all of which will be retained.

Gales delay Thistle pipeline inspection

BY RAY DAFTER, ENERGY EDITOR

BAD WEATHER has again prevented divers from finding the cause of a pipeline oil leak which has led to the shutdown of the Thistle Field in the UK's North Sea sector.

In the offshore industry, the leak is generally felt to indicate the most serious pipeline failure since North Sea oil production began in the mid-1970s.

Force nine gales whipped up heavy seas to delay inspection and repair work on the pipeline, lying on the seabed in a water depth of 530 feet.

The British National Oil Corporation, operator for the Thistle consortium, halted the 120,000 barrels a day production when an oil slick was spotted on Sunday night. It was quickly dispersed by rough seas.

The field, which accounts for some 7 per cent of UK oil production, could be out of action at least until the weekend.

Thistle, containing some 510m barrels of recoverable reserves, is one of the most important discoveries in UK waters.

BNOC said yesterday it still had no idea what caused the leak in the 20-inch diameter pipeline running from Thistle to the Dunlin Field oil platform, about seven miles away.

It is thought the fault occurred about 1,000 yards from the Dunlin platform, some 125 miles north-east of the Shetland Islands.

A diving support vessel, equipped with a miniature submarine—Intersub 3—was standing by last night to ferry divers to the pipeline. Their first task will be to locate the problem. It could be a fracture or a loose clamp.

If they are unable to trace the fault, a small amount of oil will be pumped under pressure through the pipeline.

BNOC has also arranged for a tanker, Thistle Endeavour, to start an oil shuttle service between Thistle and the shore if the pipeline has to remain shut for any length of time.

Oil rig inspections, Page 3

Continued from Page 1

Khomeini

for the first time, that Mr. Carter had been too reluctant to pursue diplomatic negotiations months ago.

The willingness of the allies to go along with the U.S. was doubted by another Republican contender, Congressman John Anderson, who criticised the President for not having ensured their co-operation before Monday's announcement.

Taking a more militant stance Senator George McGovern, the 1972 Democratic presidential candidate, belied his reputation as a dove by saying that Mr. Carter should now consider not merely a naval blockade of Iran, but also the use of airstrikes against Iranian cities or ports.

Bendix clinches UK deal

BY ROBERT COTTRELL

BENDIX, the U.S.-based international industrial group, completed the £1.65m purchase of the outstanding 50 per cent of UK automotive brake and component manufacturer Bendix-Westinghouse from Britain's Hawker Siddeley.

The now wholly-owned subsidiary is likely to become the European base for the group's Heavy Vehicles Components division.

Bendix plans to double the level of Bendix-Westinghouse business over the next five years. Bendix-Westinghouse, which has always used Bendix technology, has 1,500 employees, with an annual turnover of £25m. The parent company was also responsible for management, which will be maintained. The subsidiary's name will be changed to Bendix.

News Analysis Page 7

OPEC seeks oil price parity for gas

BY RAY DAFTER, ENERGY EDITOR

LEADING liquefied natural gas exporters are seeking to put prices for the fuel on a similar basis to those for crude oil. If successful, the attempt could double gas import costs for many consumers.

Mr. Ali Mohammed Jaidah, managing director of Qatar General Petroleum Company, said at the sixth international LNG conference in Kyoto, Japan, that members of the Organisation of Petroleum Exporting Countries might "align" their gas prices to much higher levels. The move, he said, could involve OPEC's leading LNG exporters—Indonesia, Algeria, Libya and Abu Dhabi.

OPEC members account for about 72 per cent of the world's LNG trade, although they control only 16 per cent of internationally traded gas (both pipeline and LNG).

LNG prices have traditionally been set under long-term contracts. In recent years, they have been well below the equivalent, in energy terms, for crude oil.

Mr. Jaidah said natural gas's premium nature — its cleanliness, flexibility, high energy content—inflation, and the large investment required meant LNG prices must at least equal oil prices. Preferably they should be higher.

Among the exporters Algeria, one of OPEC's oil pricing "hawks," has been leading the drive to higher LNG prices. It has already told one of its major customers, Gas de France, that it wants its gas to have pricing parity with its Saharan blend crude oil. This now costs a basic \$34.21 a barrel.

If Algeria is successful, its LNG exports could cost \$6.11 per million British thermal units (BTU). This would be about twice current prices for imports into Europe and 12 times the average price in the early 1970s.

Mr. Piet Harynono, president-director of Pertamina, Indonesia's state oil company, supported Mr. Jaidah.

He warned consuming nations that they could forget about obtaining liquefied gas at cheaper prices than oil. "LNG will not be cheap. But, after all, there is no cheap energy option any more," he said.

According to Mr. Malcolm Peebles, head of planning and finance in the Shell Group's international gas division, world LNG trade in the next decade could double, and possibly increase threefold.

Japan is rapidly building up its LNG imports and may buy an additional 6m tonnes a year from Sarawak, Malaysia. A group of companies, headed by Tokyo Gas, has signed a letter of intent for the deal, which would require the construction of five gas-carrying ships.

Reports at the conference suggested another Japanese group, including Chubu Electric Power, Kansai Electric Power, Osaka Gas and Toho Gas, was close to agreement with Pertamina to import 3.2m tonnes of LNG a year.

Pertamina officials have also been holding talks with Tokyo Electric and Tohoku Electric Power on the sale of a further 3m tonnes a year from 1983.

Prices low as Rhodesia re-opens tobacco auctions

By John Edwards, Commodities Editor

RHODESIA'S tobacco auctions opened in public in Salisbury yesterday for the first time since 1965.

The reopening follows 15 years in which the sales were cloaked in secrecy, primarily to protect buyers acting in defiance of economic sanctions after Rhodesia's unilateral declaration of independence.

Quality

The average price yesterday reached only 86.22 Rhodesian cents (US\$1.30) a kilogramme, compared with a hoped-for target of 125 Rhodesian cents.

But prices are expected to rise once the better-quality tobacco comes up for sale.

The main interest at the reopening of the public auctions centres on the attitude of British buyers, who played a dominant role before being forced to withdraw in 1965 because of the split between Rhodesia and the UK.

Britain bought about 40 per cent of the total offerings in Salisbury before sanctions.

British buying was concentrated in the better-quality grades, and accounted for around 60 per cent in value of total Rhodesian tobacco sales.

Some buying was reported by leading British tobacco companies yesterday, but the real extent of their interest is not likely to be known until the better quality tobacco is auctioned in a month or so.

Switching

UK companies have found other sources of tobacco during the last 15 years and will have some doubts about switching back.

There is the incentive, however, of an EEC duty-free preference on Rhodesian tobacco.

Gareth Griffiths writes: In London, the major tobacco companies last night said they had not yet decided whether to resume purchases of Rhodesian tobacco.

British-American Tobacco and Rothmans International said they had sent teams to Rhodesia to examine the tobacco available.

However, there was no automatic commitment to purchasing stocks there.

Commodities, Page 27

Weather

UK TODAY

MOSTLY cloudy with rain at times. Some bright intervals.

London, S.E., S.W., Cent. S. England, Channel Isles
Dry, sunny periods. Max. 12C (54F).

East Anglia, E., Cent. N. England, Midlands, South Wales
Dry, cloudy later. Max 11C (52F).

North Wales, N.W., N.E. England, Lake District
Mostly cloudy, rain at times. Max. 10C (50F).

Io.Man, Border, N. Ireland, Edinburgh, Glasgow, Dundee, Aberdeen, S.W. Scotland
Cloudy, brighter later. Max. 9C (48F).

Rest of Scotland, Orkney, Shetlands
Cloudy with hill fog, scattered showers. Max. 9C (48F).

Outlook: Dry with sunny periods; becoming warmer.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Amsdm.	C	7	45	L. Plms.	S	21	70
Athens	S	15	59	Lisbon	S	18	64
Bahrain	C	26	79	London	F	9	48
Belfast	C	8	46	Luxmbg.	C	5	41
Belgrd.	R	5	41	Madrid	S	13	55
Berlin	F	7	46	Majorca	F	15	59
Biarritz	F	13	55	Malaga	F	17	63
Brmghm.	C	9	48	Malta	F	14	57
Blackp'l	F	9	48	Mchstr.	F	9	48
Bordx.	F	13	55	Melbne.	S	17	63
Bristol	F	9	48	Mex. C.	S	23	73
Brussels	F	8	46	M'ntreal	C	12	54
B. Aires	C	23	73	Moscow	F	8	46
Cairo	S	30	86	Munich	Sl	2	36
Cardiff	C	10	50	Nairobi	R	25	77
Cape T.	S	20	68	Naples	F	12	54
Chicago	C	12	54	Nwcstl.	C	7	45
Cologne	C	7	46	N. York	C	11	52
Cpnhgn.	R	5	41	Nice	C	15	59
Dublin	R	10	50	Oslo	F	9	48
Ednbgh.	F	9	48	Paris	F	9	48
Florence	C	16	61	Perth	S	24	75
Geneva	C	7	45	Rio J'o	S	27	81
Gibrltr.	S	18	64	Rome	S	14	57
Glasgow	F	10	50	Singapr.	C	30	86
G'nsey	F	9	48	Stckhm.	S	5	41
H. Kong	C	23	73	Sydney	C	20	68
Innsbrk.	C	7	48	Tehran	C	18	64
Invrnss.	C	7	45	Tokyo	C	15	59
I.o Man	F	9	48	Toronto	C	10	50
Jersey	F	9	48	Venice	S	12	54
Jo'burg	C	20	68	Vienna	R	7	45

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

A grey area for hydrocarbons

Yesterday the money markets were still fairly tight, but the gilt-edged market was quietly enthusiastic. It is evidently relaxed about both the March banking figures, which are published tomorrow, and the set for the month to mid-April. Although net sales of debt will have been fairly small in the two months, the unseasonably small Exchequer deficit should ensure money supply growth within the 7 to 11 per cent target range, now based on February.

From now onwards, though, the monetary landscape becomes quite different. For one thing, the abolition of the corset may increase the underlying rate of bank lending for a while, over and above the return of acceptances to the banking system. More importantly, after the mid-April VAT payments, the Exchequer will move back into substantial deficit, and this should eventually allow money market pressures to ease significantly. But it will also mean that more active sales of gilt-edged will have to be resumed, and the market can expect a new long tap next Friday, if not this.

North Sea find

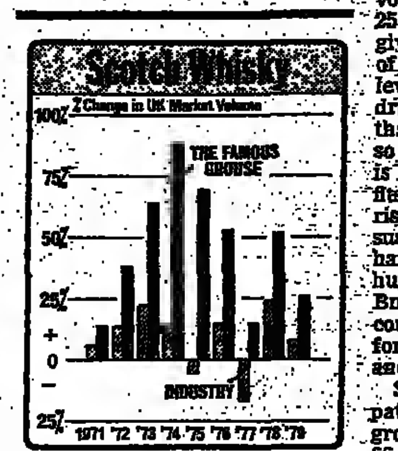
The laws of gravity find confirmation all too often in the behaviour of the Siebens Oil and Gas (UK) share price. Yesterday the stock fell 60p to 610p, wiping out two-thirds of the jump on Wednesday, when a find in the North Sea in which the company has an interest was announced. This latest movement comes after gyrations earlier in the year, in which the stock rose to a peak of 930p before collapsing to 590p within a week.

Behind all the agitation have been the fortunes of a test drilling on a piece of North Sea real estate near the Brea field known as Block 16/3a. Siebens has a 4 per cent interest in the block, whose operator is the U.S.-based Marathon Oil. The initial Siebens boom this year coincided with rumours that 16/3a contained an oil field as big as the Forties, to be replaced by less bullish noises about gas and condensates and the drop in the price. The current volatility stems from the vagueness of Marathon's statement last week.

The drilling brought up evidence of gas and a substance in the grey area between oil and condensate. The stock market has traditionally taken a dim view of condensates which, while in themselves high quality light oil commanding a premium, require the removal of less rewarding gas before they can be exploited. There was a disagreement between the BNOC, holding a 20 per cent stake in the block, and Marathon as a result of which the find was described by way of compromise as liquid hydrocarbon. The realisation that this was the equivalent of slightly heavy condensate emerged only yesterday.

Because several small companies like Siebens quoted on the Stock Exchange under Rule 163(3), where the listing requirements are minimal, there is little formal action that can be taken to prevent investors in this speculative part of the market being exposed to high risks. But in their own interests, the companies should ensure that information is released regularly. Perhaps press releases could be vetted by independent consultants. Otherwise, given a few more Siebens-type somersaults, the 163(3) market will gain a bad enough name for volatility to scare off the most hardened investor. Then the supply of new issue finance, tapped so successfully by Cluff Oil and Berkeley Exploration in recent months, will dry up.

Index fell 5.9 to 426.7



Highland Dist.

The Monopolies Commission is now in the middle of its investigation into the Hiram Walker bid for Highland Distilleries. Inevitably the Highland share price has backed down a long way from the near 150p it reached after the 130p a share offer was unveiled. But it picked up 3p to 125p yesterday on news that pre-tax profits had jumped by nearly 60 per cent to just over £3m in the six months to February.

The sales increase of 29 per cent to £30.4m reflects the continuing strong progress of The Famous Grouse, where UK volume sales were up a claimed 25 per cent in calendar 1979, to give the brand around 7 per cent of the market. At the pre-tax level growth was helped by the drop in interest charges after the rights issue last June. Even so it looks as though the brand is now generating healthy profits, and the £2.20 a case price rise in February should help to sustain margins. On the other hand, the pre-February trade buying, and the subsequent pre-Budget burst of purchases, could leave demand rather slack for the remainder of the financial year.

So it would be wise to anticipate some slackening of the growth rate, pointing to perhaps £6.5m to £7m pre-tax for the full year. The dividend, though sharply higher, is an irrelevance and the prospective p/e of perhaps 13 (more like 23 on a full tax charge) points to the importance of the bid.

Antony Gibbs

After eight years of life as a quoted company and seven years under the wing of the Hongkong and Shanghai Banking Corporation, Antony Gibbs seems to be on the point of being completely absorbed into the Hongkong Bank. Its shares were floated at 90p in 1972 on a p/e of nearly 18; yesterday's equity offer, also worth 90p, represents a p/e of over 40 on 1978 earnings.

The Hongkong Bank has had a bumpy ride with its investment. It originally paid £4m for 2.9m shares, then £2.4m for 4.8m shares. At the bottom of the 1974-75 bear market the capitalisation of Gibbs was little more than the sum of these two equity injections.

Yesterday's bid, valuing the whole of Gibbs at £17½m, is probably more or less at net asset value, with only a token amount of good will thrown in for the name. In its last balance sheet Gibbs showed £14m of shareholders' funds, and the hidden reserves (which will presumably be disclosed in the offer document) cannot amount to an exciting sum after the recent poor profits performance.

The bid now awaits the approval of the Accepting Houses Committee, and of Lloyd's, both already occupied by the Marsh McLennan bid for Bowring on the question of foreign ownership of their members. But the Hongkong Bank's offer is not conditional on approval from either body, which may suggest that it expects no trouble.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.

هكذا من الأصل